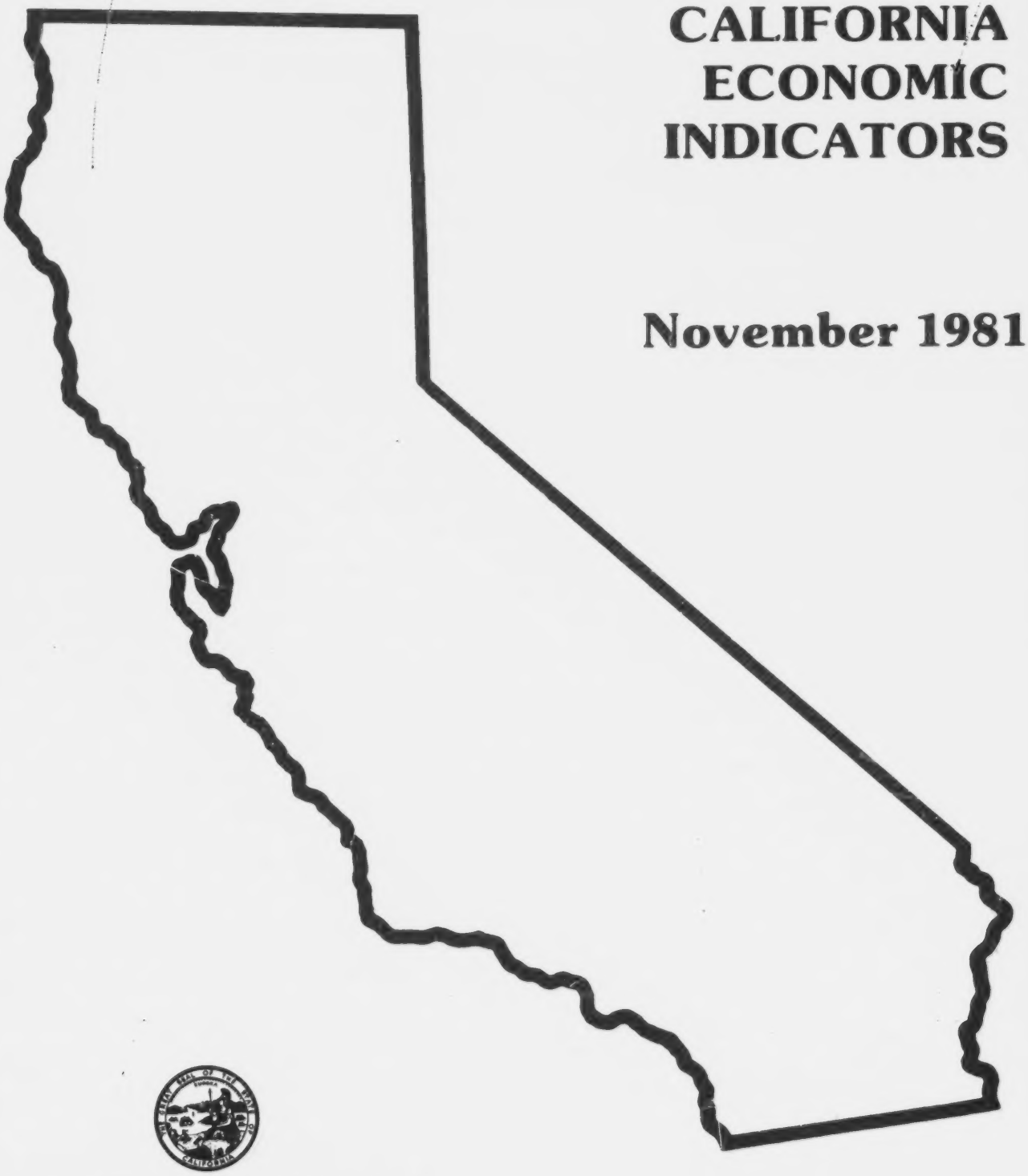
S 0840-1 (A)

CALIFORNIA ECONOMIC INDICATORS



November 1981

DEPARTMENT OF FINANCE

INTRODUCTION

California Economic Indicators is a bimonthly summary of economic trends and data relating to the State of California. Generally patterned after the U.S. Census Bureau publication Business Conditions Digest, the report contains the following regular features:

- review of economic developments
- current California economic data table
- economic indicator charts
- basic data for California economic series
- chronology of major economic events.

Developments in California over the most recent months are reviewed in a brief text, and then summarized in a current data table which shows changes over the previous year. Charts containing monthly and quarterly series from 1971 are included to facilitate the review of current developments, and to appraise the significance of the developments on the State economy. Much of the data in the report has been seasonally adjusted by the source agency or the Department of Finance.

Sources are cited on the inside back cover to assist readers in obtaining any additional information on the statistical series published. Finally, reference dates for U.S. business cycles, as determined by the National Bureau of Economic Research, are shown on the back of the publication.

Individuals or businesses seeking assistance in their economic development or job creation efforts are advised to contact the Department of Economic and Business Development. The Department can also provide additional general information on economic opportunities in California. Correspondence should be addressed to: State of California, Department of Economic and Business Development, 1120 N Street, Sacramento, CA 95814.

The Department of Finance welcomes suggestions on additions or changes which would make the Indicators a more useful publication. Correspondence should be addressed to: State of California, Department of Finance, Financial Research Unit, 1025 P Street, Sacramento, CA 95814.

Subscriptions are $5.00 per year, and begin with the January issue. The subscription price will be prorated throughout the year based upon the beginning subscription date, as shown below:

Beginning Subscription Date	Prorated Amount Due
January	$5.00
March	4.15
May	3.35
July	2.50
September	1.65
November	0.85

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REVIEW OF ECONOMIC DEVELOPMENTS

The California economy is beginning to show signs of weakness. Although interest rates are starting to fall--the current prime rate is 16-1/2 percent--it now appears that a recession cannot be avoided.

The unemployment rate in California increased from 7.2 percent in September to 8.1 percent in October. This is the highest the unemployment rate has been since 1977. The rise in the unemployment rate can be traced to the large growth in the civilian labor force (+1.2 percent), and the small growth in civilian employment (+0.3 percent).

Total nonagricultural wage and salary employment rose 0.1 percent in October, to a seasonally adjusted 10,118,600. This was an increase of 9,000 jobs since September and 50,100 since April.

The nonagricultural employment series has been revised back to January 1981. Although first quarter employment was essentially unchanged, second quarter employment was revised significantly upwards, by 46,800 jobs on the average. Employment since then has been on a plateau.

Particularly hard hit the past six months have been construction (-6.6 percent) and manufacturing of nondurable goods (-2.4 percent). Durable goods manufacturing has fallen significantly over the last five months, largely as a result of cutbacks in stone, clay, and glass products and transportation equipment. Aerospace seems to have bottomed out for the time being, at just over 620,000. The sector is unlikely to change much over the next several months. It will not provide the offsetting support to declines in other manufacturing as during the last downturn. In contrast are the continuing strong gains in services (+2.3 percent), trade (+1.5 percent), and the finance group (+1.5 percent).

(All nonagricultural employment data, including numbers in the California Economic Factors Table, represent the Interim Benchmark Series prepared by the Employment Development Department. October data are estimated by the Department of Finance base upon the official BLS employment series).

California personal income in the second quarter has been revised upward substantially, to $287.6 million. Third quarter personal income is now estimated at $295.8 million, up 2.8 percent from year-ago levels. The strongest gains are occurring in interest income, other labor income, and wages and salaries, which account for 80.0 percent of all income payments.

The inflation rate in California, as measured by the consumer price index, has increased slightly the past few months, although it is still below that of 1980. The California Index, as calculated by the Department of Industrial Relations, showed a year-to-year increase of 12.2 percent in August. This increase can be traced almost exclusively to higher housing and medical costs.

Housing activity continues to plunge. Housing units authorized in August and September were at an 85,000 annual rate. That was 50 percent below the same period last year and the lowest level since 1967.

The California index of leading indicators fell 1.3 percent in September. This was the third straight month of decline; the index is now at the lowest point in 11 months. This suggests that the California economy will continue to deteriorate at least until next Spring.

CURRENT CALIFORNIA ECONOMIC DATA

	1981				1980		Percent Change Sept. 1980-Sept. 1981
	Sept.	Aug.	July	June	Sept.	Aug.	
Employment[a]/							
Civilian employment (000)	10,528	10,629	10,521	10,567	10,442	10,413	0.8
Unemployment (000)	820	768	819	757	779	804	5.3
Unemployment rate	7.2	6.7	7.2	6.7	6.9	7.1	--
Nonagricultural wage and salary employment[b]/ (000)	10,157.2	10,072.1	10,053.5	10,164.0	9,939.6	9,819.3	2.2
Mining	49.7	49.5	49.2	49.0	44.5	44.7	11.7
Construction	434.5	438.8	433.9	440.9	457.6	453.9	-1.0
Manufacturing	2,062.3	2,071.5	2,046.4	2,036.7	2,039.2	2,027.7	1.1
Aerospace[c]/	621.6	623.5	622.9	621.4	619.8	621.3	0.3
Transportation--communications public utilities	570.7	569.3	567.5	561.5	559.0	556.3	2.1
Trade	2,356.5	2,338.2	2,325.3	2,323.7	2,286.2	2,267.8	3.1
Finance--insurance--real estate	655.1	653.3	651.6	649.4	625.0	624.6	4.8
Services	2,315.1	2,296.8	2,283.0	2,286.0	2,209.8	2,188.5	4.8
Government	1,713.3	1,654.7	1,696.6	1,816.8	1,718.3	1,655.8	-0.3
Federal	321.4	323.6	324.6	324.3	323.5	331.8	-0.6
State and local	1,391.9	1,331.1	1,372.0	1,492.6	1,394.8	1,324.0	-0.2
Hours and Earnings, Manufacturing							
Average weekly hours	39.0	39.8	39.1	39.7	39.7	39.5	-1.8
Average weekly earnings	$345.54	$346.66	$337.32	$366.66	$314.42	$310.08	9.9
Average hourly earnings	$8.86	$8.71	$8.64	$8.48	$7.92	$7.85	11.9
Index of Leading Indicators	150.8	152.8	153.6	157.0	147.4	144.4	2.3
Trade							
Retail sales (millions)	n.a.	10,230	10,237	10,058	8,789	9,220	--
New auto registrations (number)	n.a.	n.a.	73,453	82,809	70,750	69,375	--
Business							
Business failures (number)	n.a.	n.a.	n.a.	n.a.	109	172	--
Business liabilities (000)	n.a.	n.a.	n.a.	n.a.	$36,803	$39,947	--
New incorporations (number)	5,174	4,851	5,763	5,587	4,745	502.1	9.0
Consumer Price Index, all items[d]/							
California average (1967=100)	--	281.4	--	272.6	--	250.7	--
San Francisco (1967=100)	--	287.9	--	274.0	--	251.0	--
Los Angeles (1967=100)	279.3	274.8	272.2	267.9	249.6	247.3	11.9
San Diego (1967=100)	313.9	--	305.4	--	271.8	--	15.5
Output							
Petroleum production (000 barrels daily)	1,067.3	1,070.8	1,074.5	1,069.9	984.8	980.4	8.3
Cement production (000 short tons)	n.a.	716.3	772.1	694.0	758.9	724.7	--
Raw steel production (000 net tons)	n.a.	n.a.	n.a.	242.6	191.3	175.9	--
Lumber shipments (mil. FBM)	68.8	80.4	78.4	82.9	75.3	73.0	-11.3
Construction							
Private residential housing units authorized (number)	7,300	7,614	9,365	10,755	15,604	13,069	-53.2
Nonresidential building authorized, valuation (000)	$766,692	$754,103	$887,588	$706,888	$664,823	$539,301	15.3

a/Adjusted for seasonal variation.

b/Interim series of wage and salary workers. This unofficial series is adjusted for the latest tabulations of unemployment insurance coverage and approximates what the official data will be when estimates are updated at year end. March data are estimated by the Department of Finance based upon the official BLS employment series.

c/Interim series does not give a detailed breakdown of manufacturing for aerospace employment. This value is from the EDD official employment series, it is not seasonally adjusted.

d/All urban series.

n.a. Not available

2829D

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are production worker man-hours, insured unemployment, manufacturing employment, and taxable sales. These series are discussed in the technical note below.

Data for most series are plotted monthly. Quarterly series are identified following the series title on the chart.

The Arabic numeral in the right hand corner of each graph indicates the latest month for which the data are plotted (e.g.: 7 = July).

Roman numerals indicate the latest quarter for which data are plotted (III = third quarter).

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The series on average weekly hours of production workers in manufacturing and production worker man-hours are adjusted by the Bureau of Labor Statistics method. Other series have been adjusted by the Bureau of the Census (Shiskin) method. Persons interested in a detailed description of these methods are referred to the U.S. Department of Labor, Bureau of Labor Statistics, the BLS Seasonal Factor Method (1964); and the U.S. Department of Commerce, Bureau of the Census, Technical Paper No. 15, The X-11 Variant of the Census Method II, Seasonal Adjustment Program (November 1965.)

Under the Census Bureau seasonal method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Production Worker Man-Hours

This series is a substitute for the man-hours in nonagricultural establishments series used in the Census Bureau's publication, Business Cycle Developments. It is the cross product of average weekly hours of production workers in manufacturing and manufacturing employment. Workweek data are a leading indicator. Manufacturing employment appears to be a coincident indicator, although at times it seems to lead economic downturns. Because of this, the man-hours series has been classified in the present publication as a leading indicator.

Insured Unemployment

The series on total insured unemployment is being used rather than the insured unemployment rate included in the Census Bureau's indicator list. The insured rate is available only with a lag of nine months, which precludes its usefulness as a current indicator.

Manufacturing Employment

This series is also an addition to the Census Bureau indicator list. It was used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

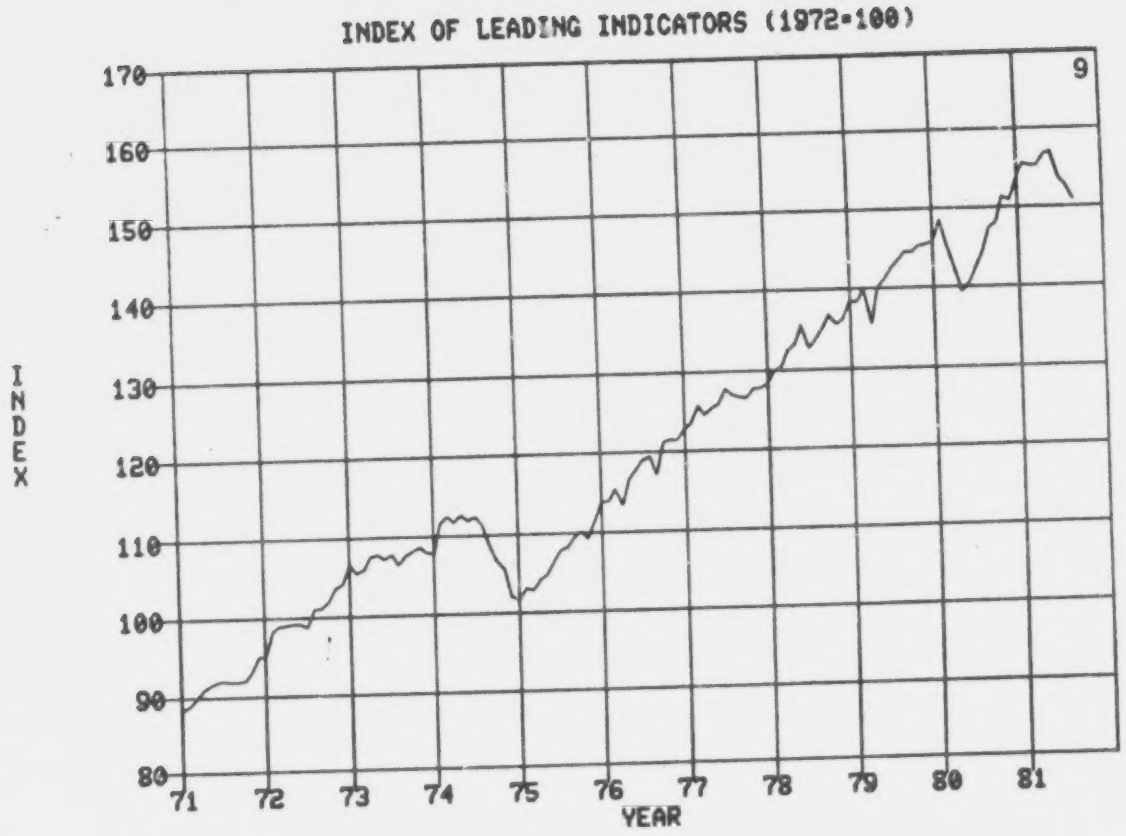
Taxable Sales

Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is therefore a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but will be of interest to persons looking at overall economic developments.

Standard Abbreviations

n.a.	Not available	p	Preliminary
e	Estimate	r	Revised


INDEX OF LEADING INDICATORS (1972=100)
9
170
160
150
140
130
120
110
100
90
80
INDEX
71
72
73
74
75
76
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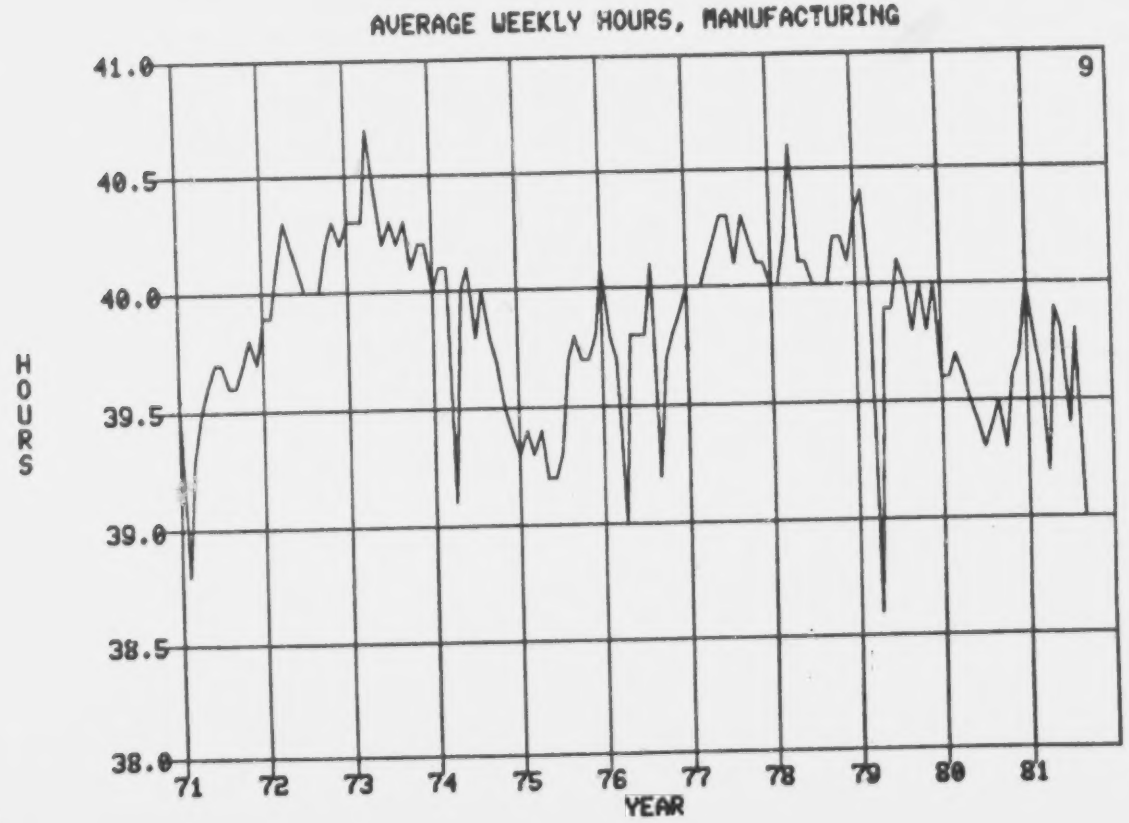
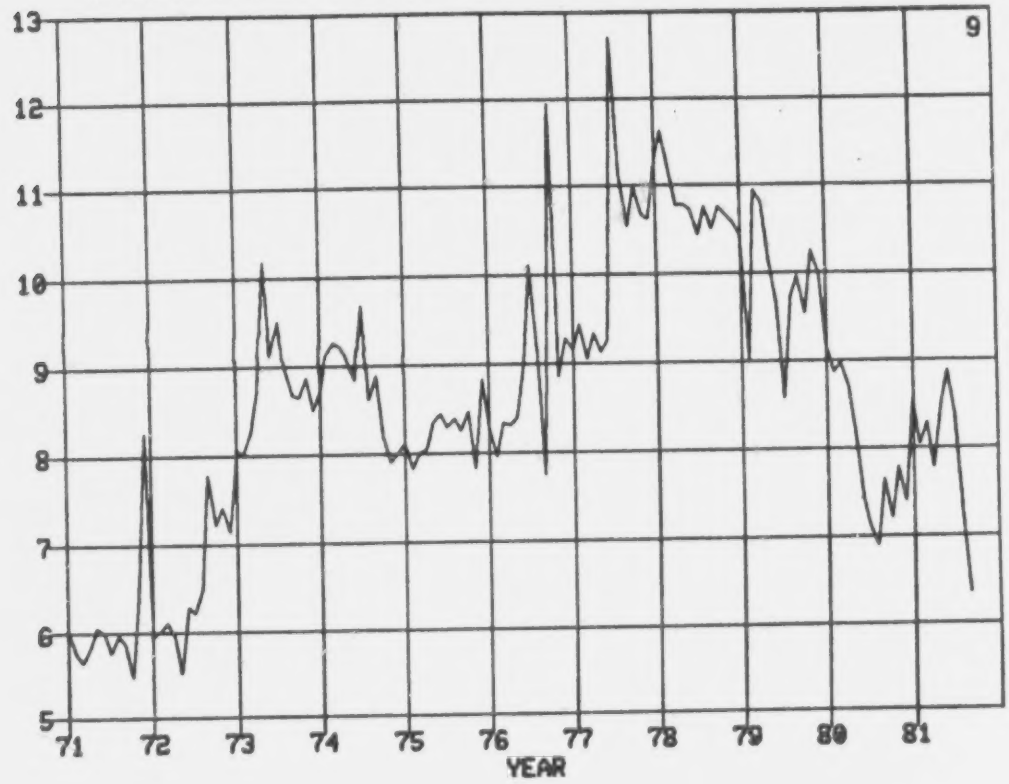
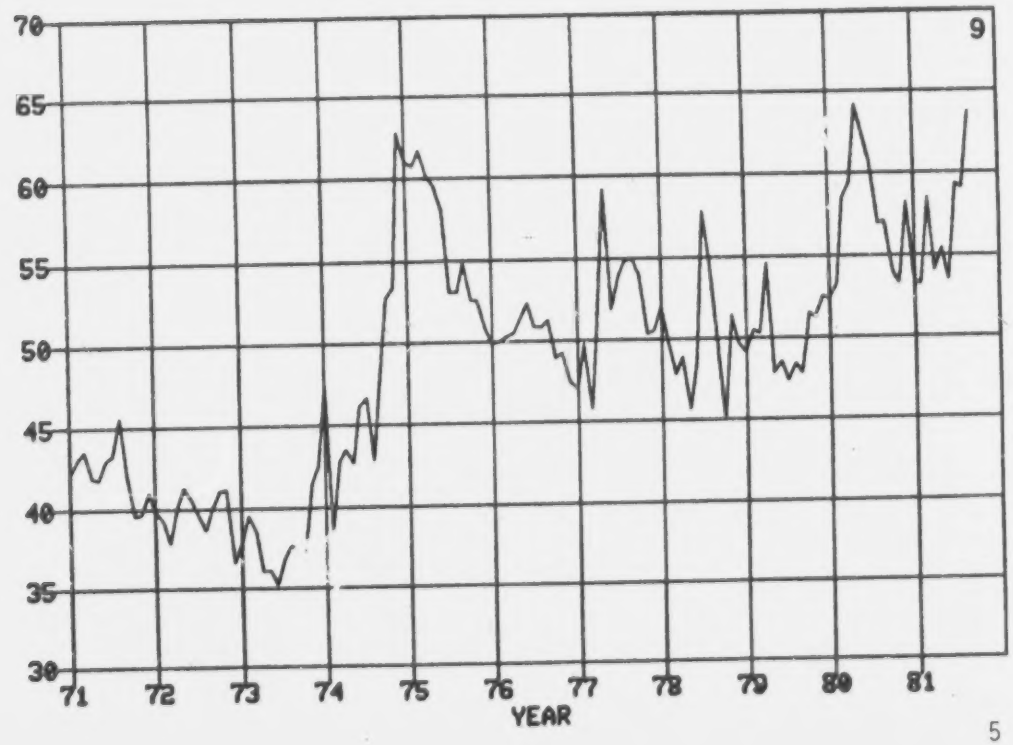
80
81
YEAR


AVERAGE WEEKLY HOURS, MANUFACTURING
9
41.0
40.5
40.0
39.5
39.0
38.5
38.0
HOURS
71
72
73
74
75
76
77
78
79
80
81
YEAR

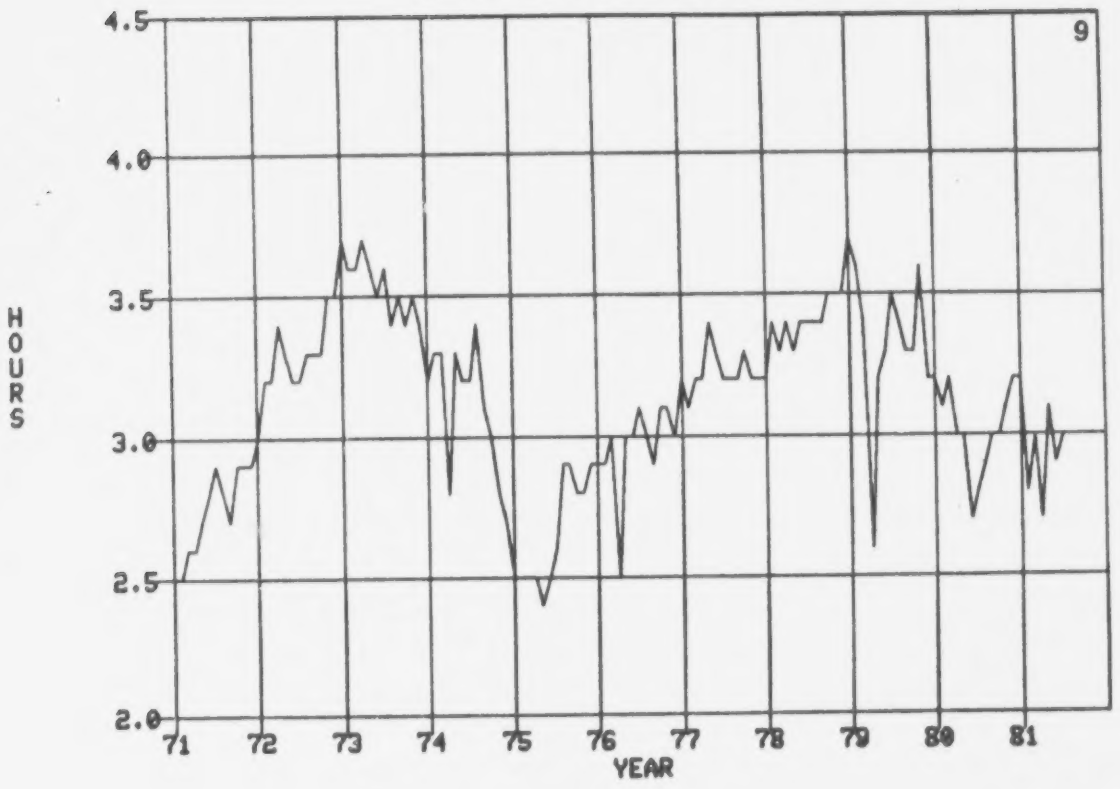
NONAGRICULTURAL PLACEMENTS, WEEKLY AVERAGE (IN THOUSANDS)



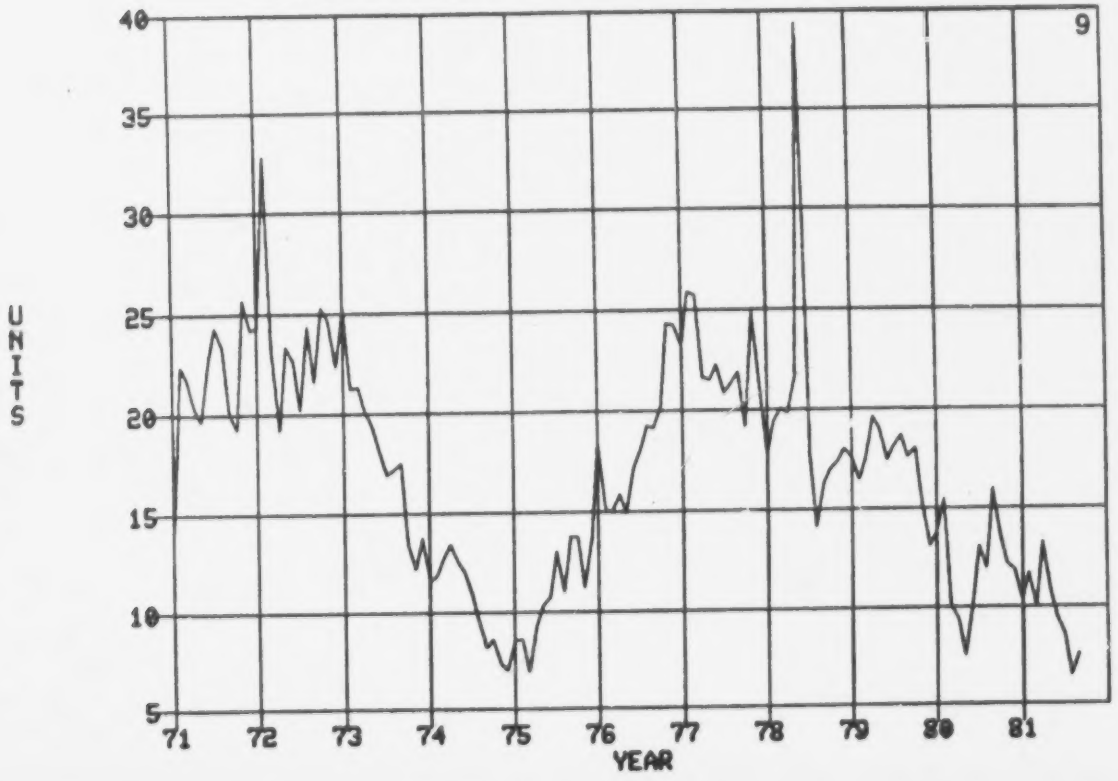
INITIAL CLAIMS FOR UNEMPLOYMENT INSURANCE,
WEEKLY AVERAGE (IN THOUSANDS)



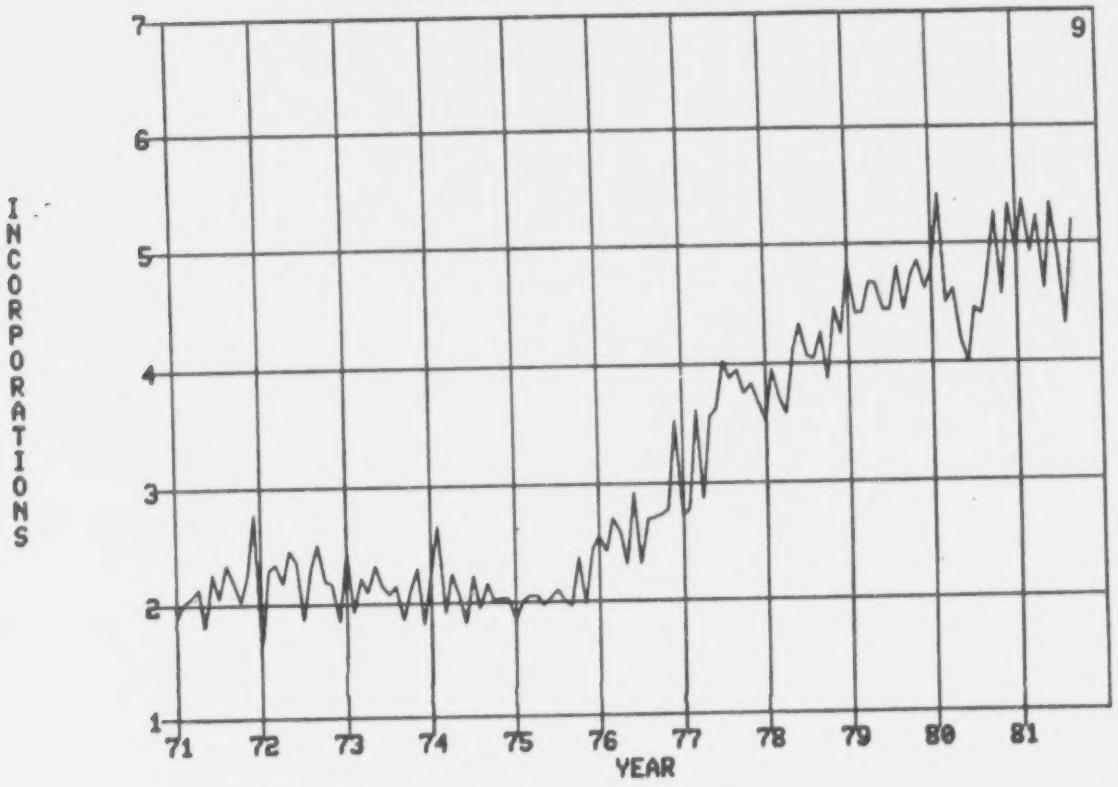
OVERTIME HOURS, MANUFACTURING



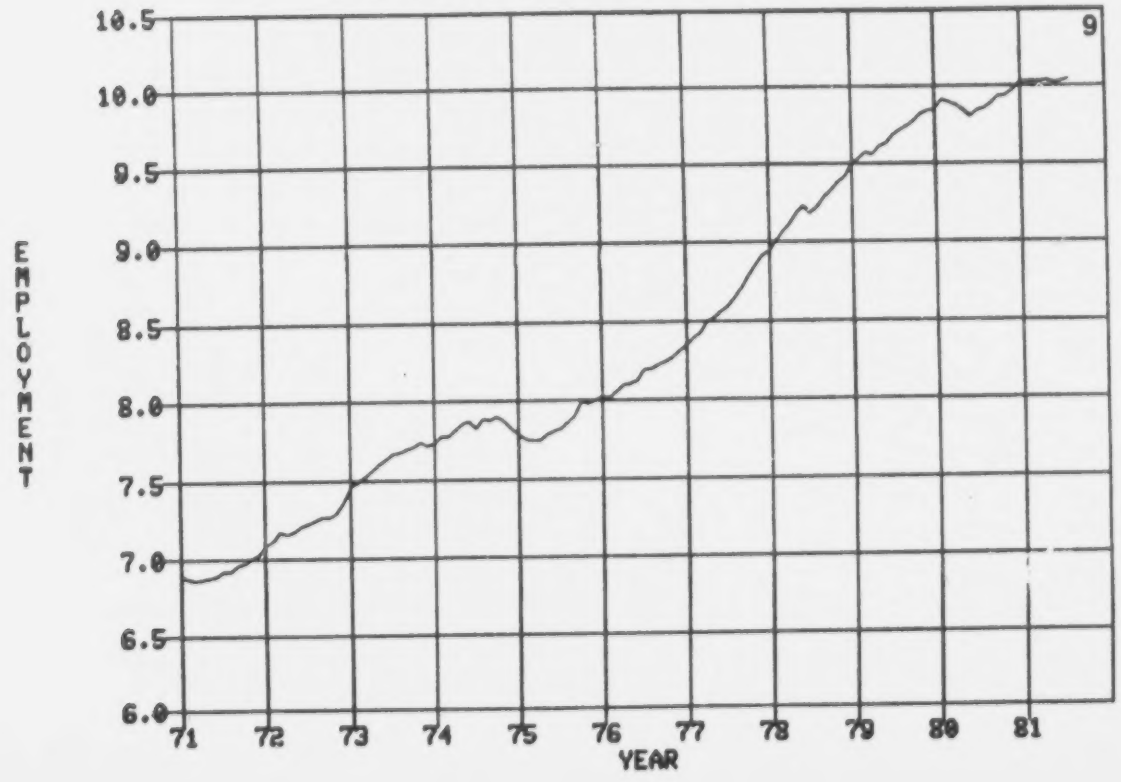
PRIVATE HOUSING UNITS AUTHORIZED (IN THOUSANDS)



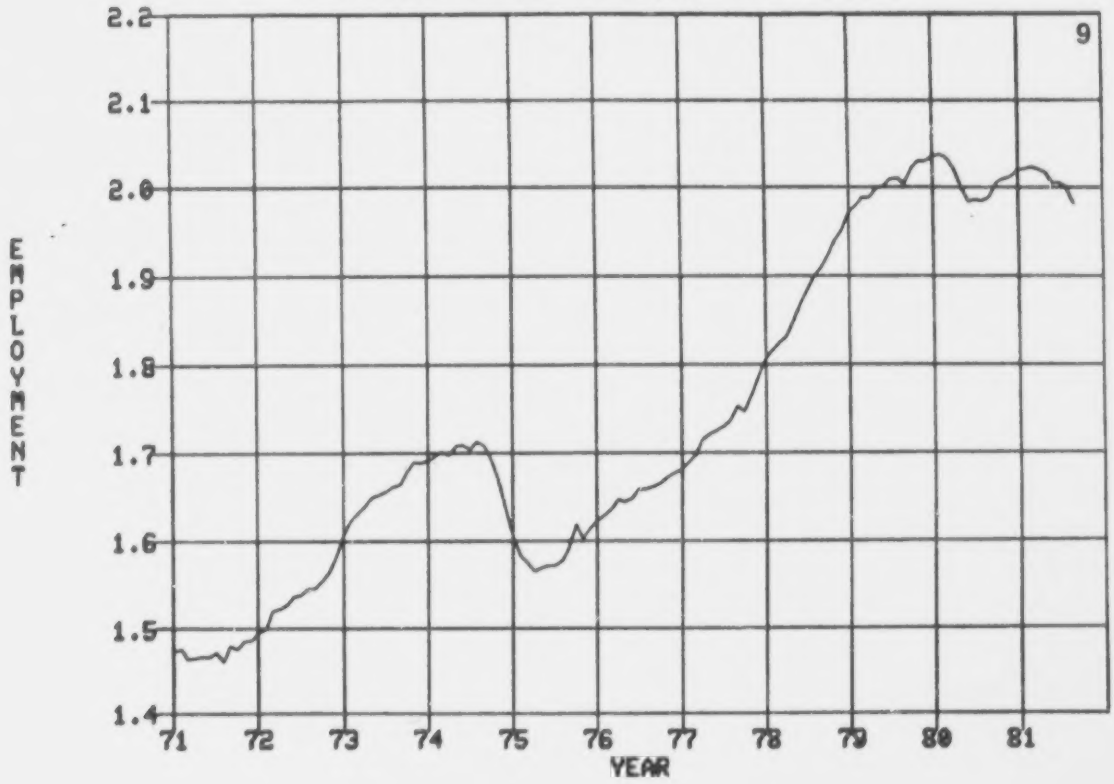
NEW BUSINESS INCORPORATIONS (IN THOUSANDS)



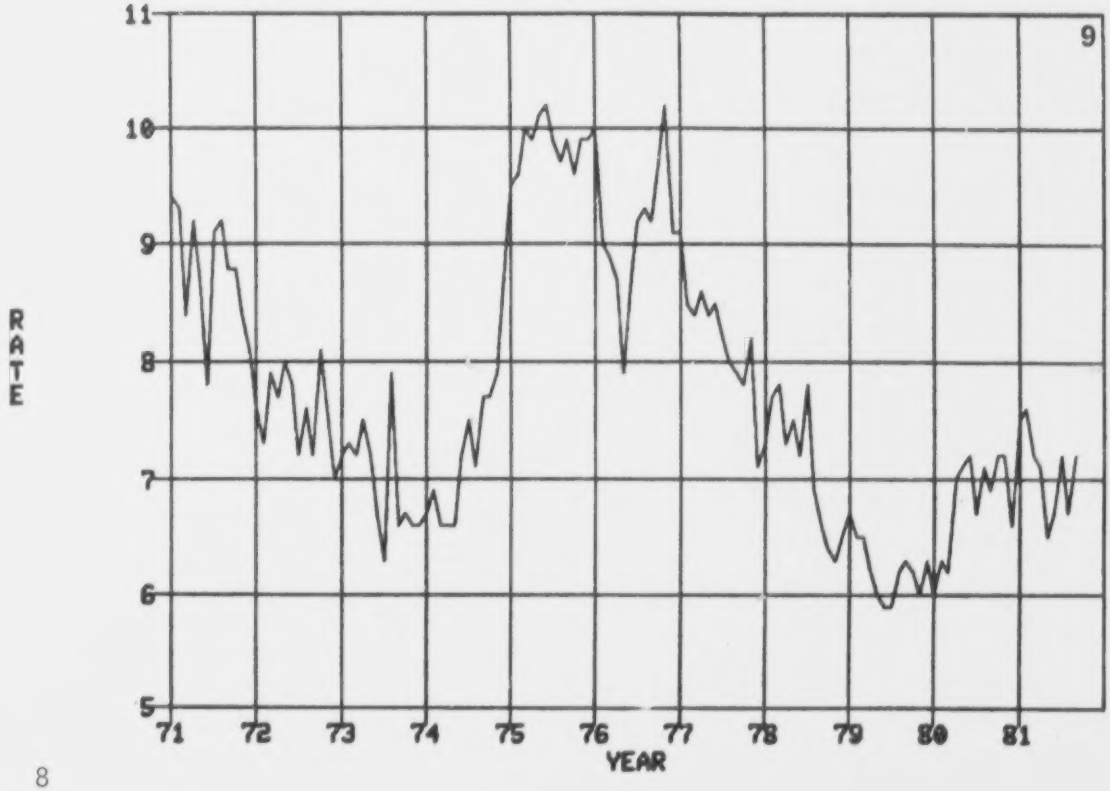
NONAGRICULTURAL EMPLOYMENT (IN MILLIONS)



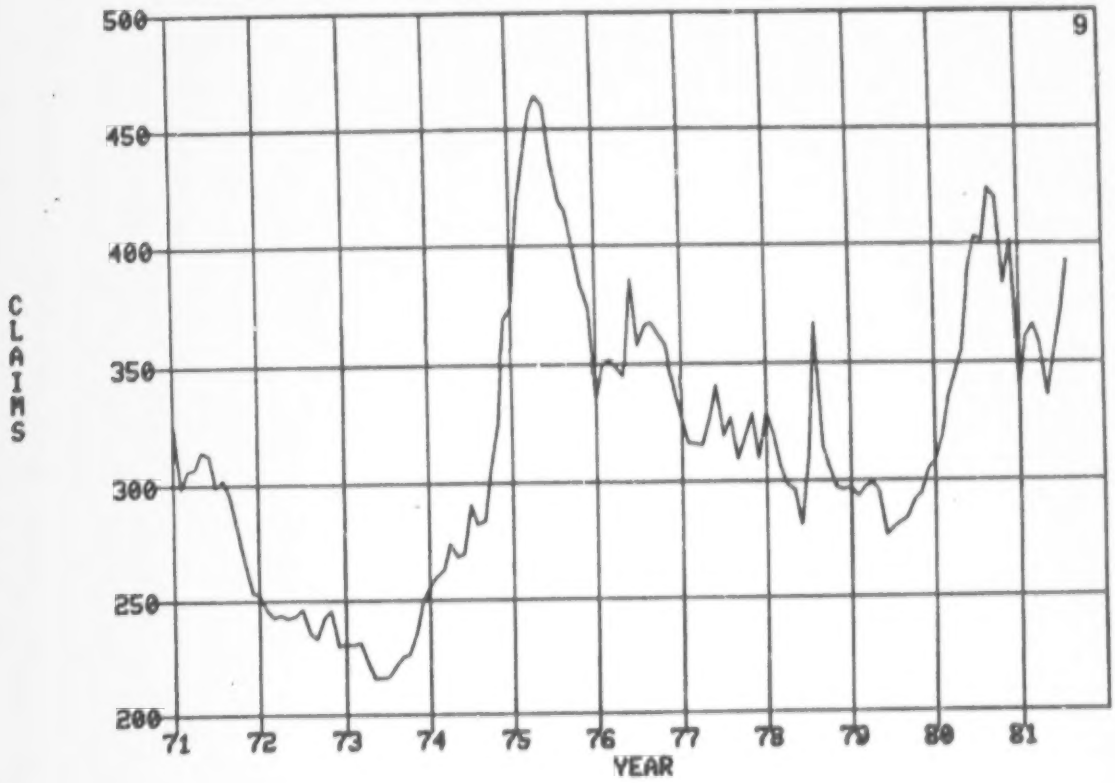
MANUFACTURING EMPLOYMENT (IN MILLIONS)



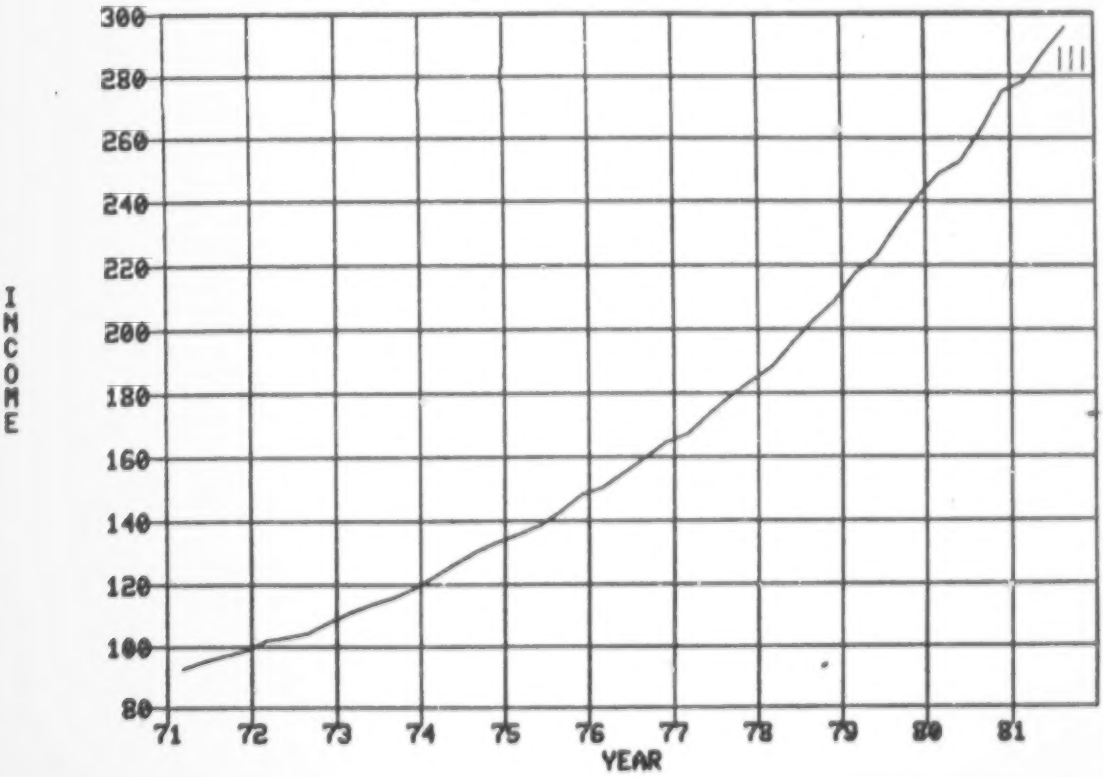
UNEMPLOYMENT RATE

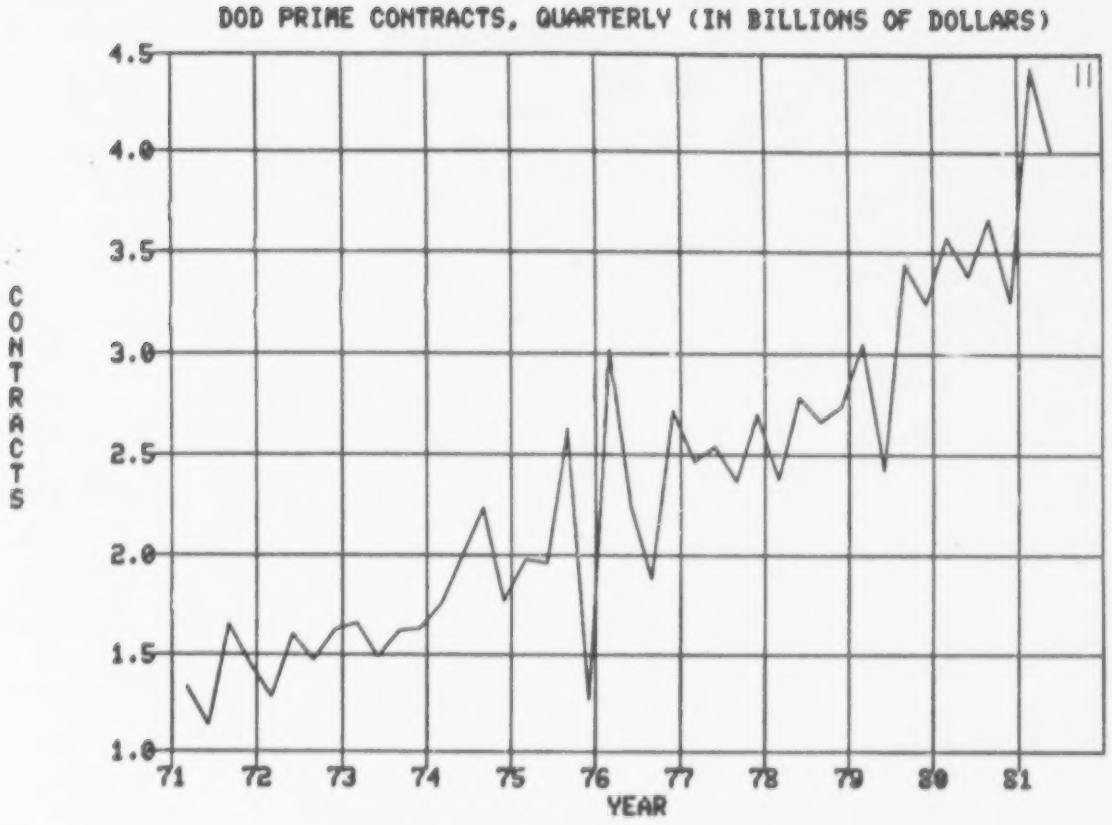


INSURED UNEMPLOYMENT, AVERAGE WEEKS CLAIMED (IN THOUSANDS)



PERSONAL INCOME, QUARTERLY (IN BILLIONS OF DOLLARS)




DOD PRIME CONTRACTS, QUARTERLY (IN BILLIONS OF DOLLARS)
CONTRACTS
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
71
72
73
74
75
76
77
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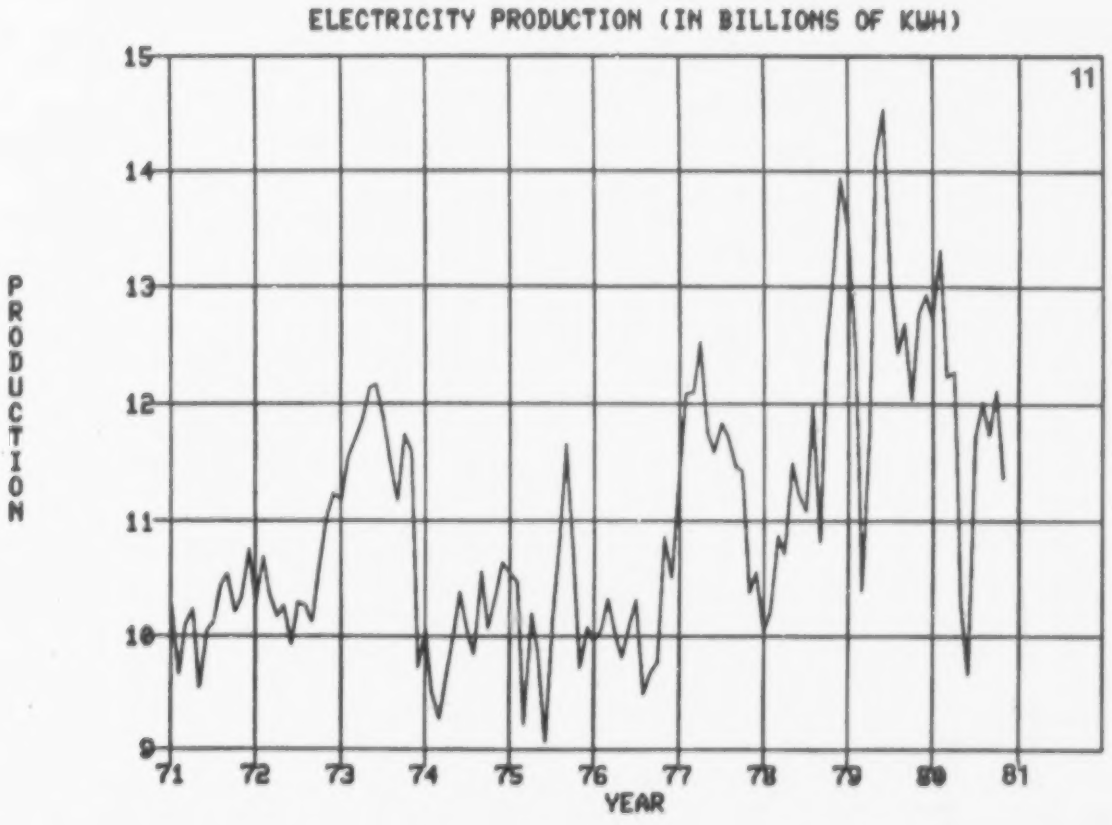
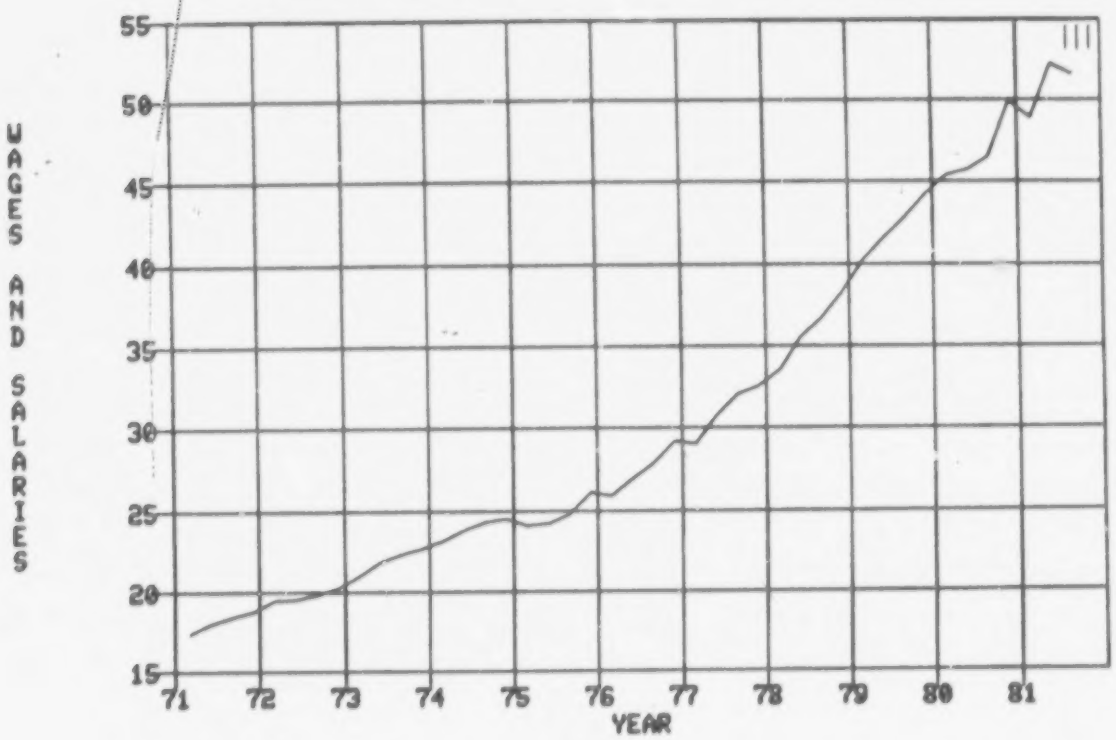
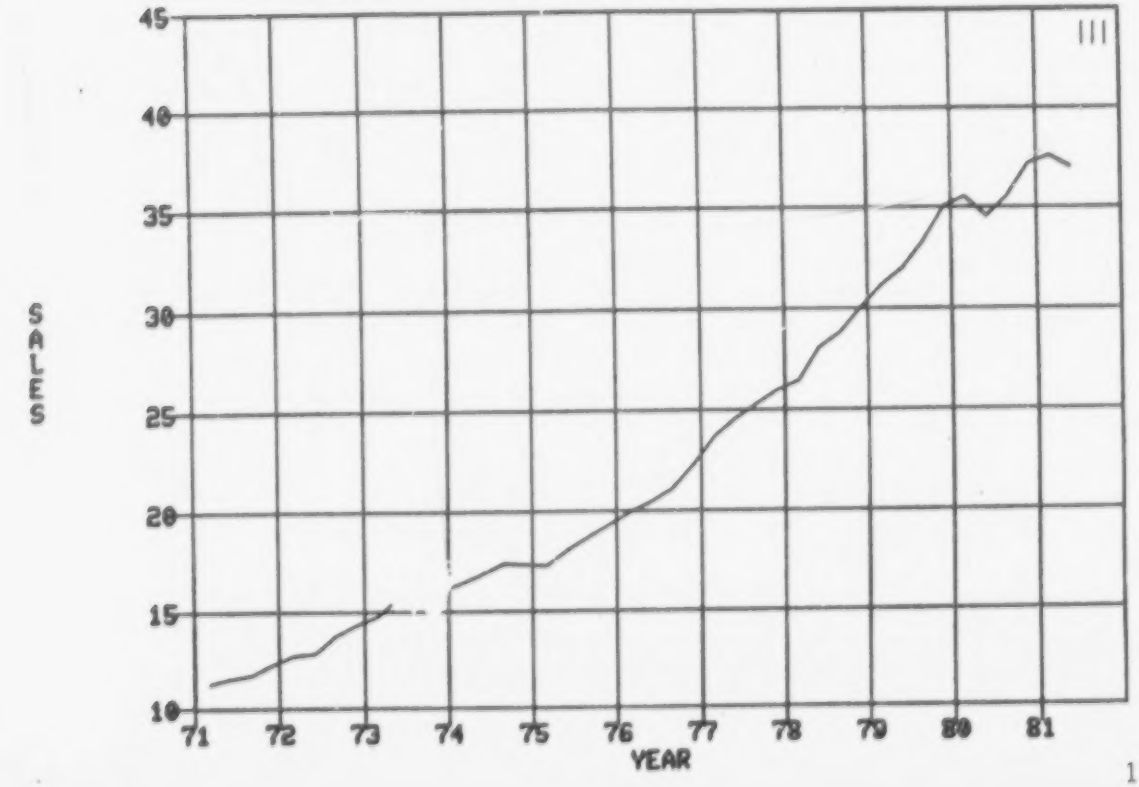
81
YEAR


ELECTRICITY PRODUCTION (IN BILLIONS OF KWH)
PRODUCTION
15
14
13
12
11
10
9
71
72
73
74
75
76
77
78
79
80
81
YEAR

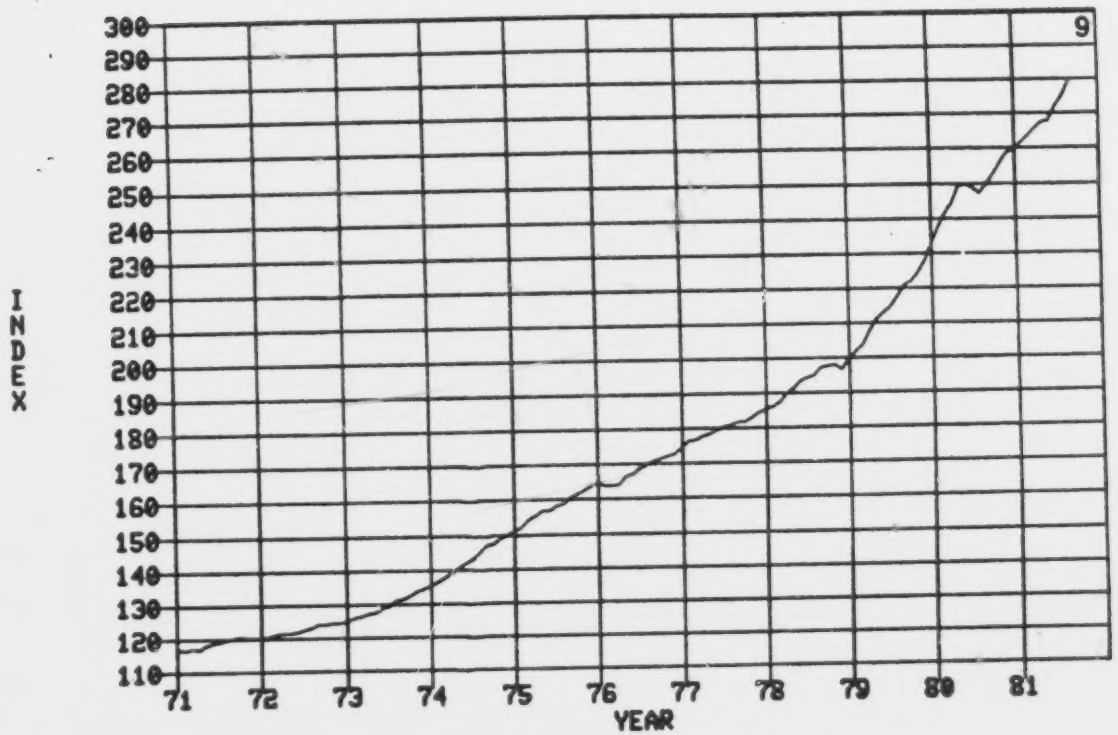
WAGES AND SALARIES FROM MINING, MANUFACTURING, AND CONSTRUCTION, QUARTERLY (IN BILLIONS OF DOLLARS)



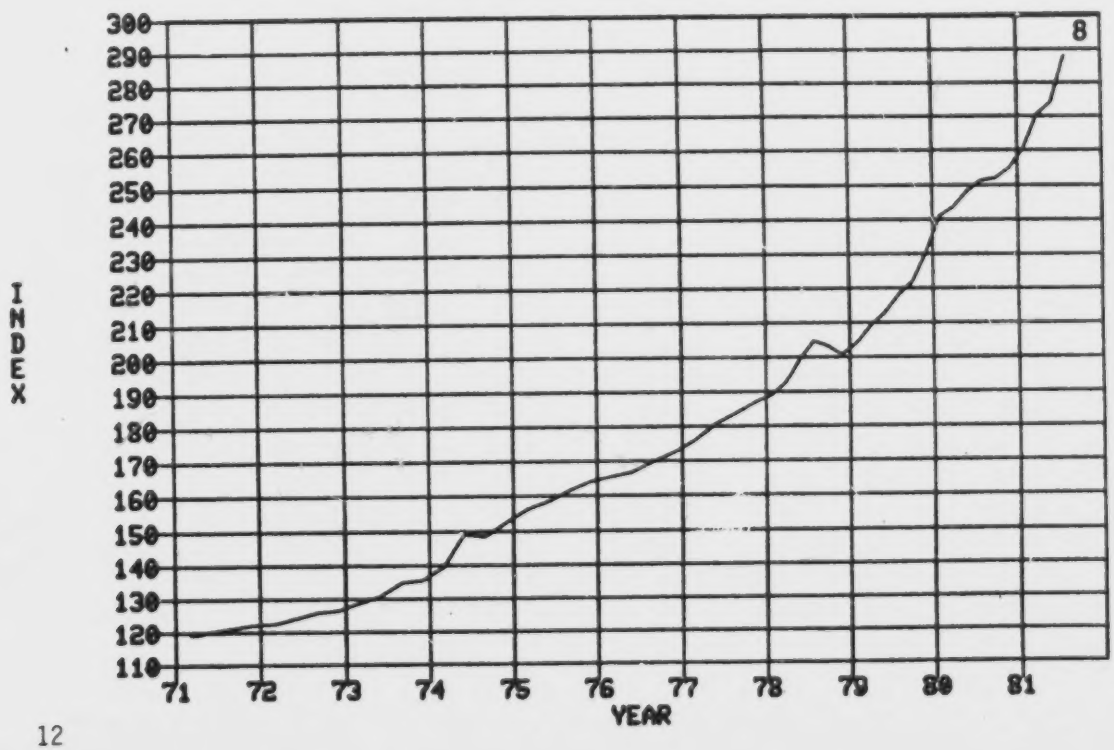
TAXABLE SALES, QUARTERLY (IN BILLIONS OF DOLLARS)



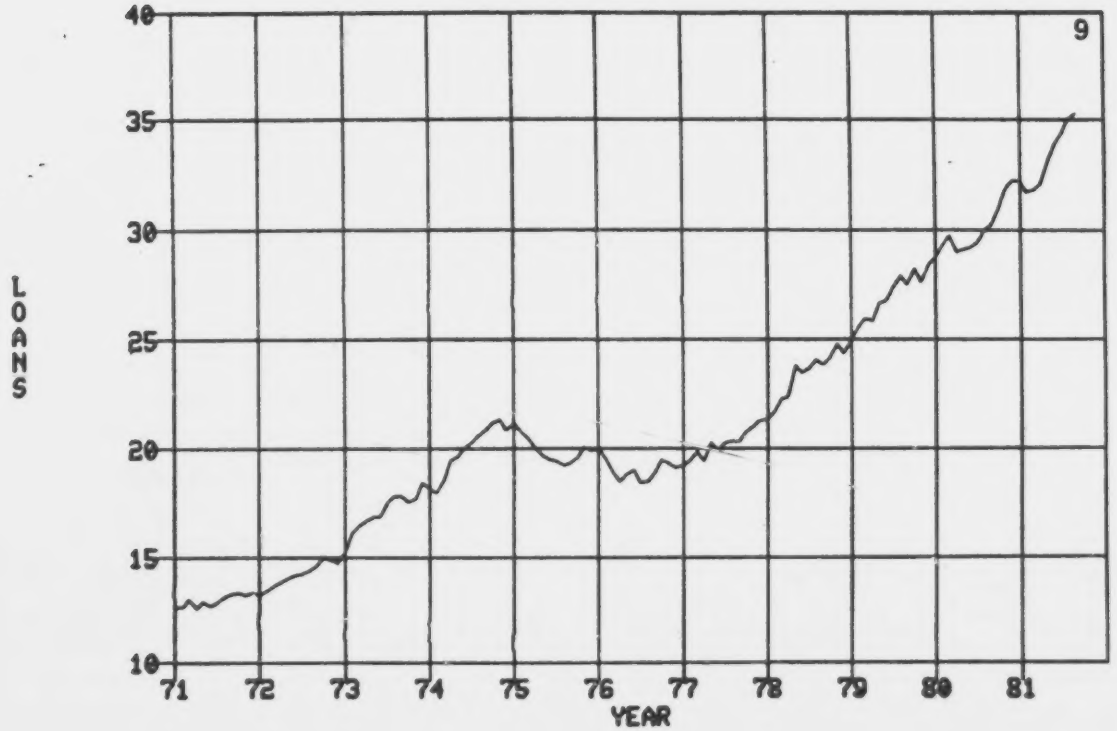
CONSUMER PRICE INDEX, LOS ANGELES
ALL URBAN CONSUMERS (1967=100)



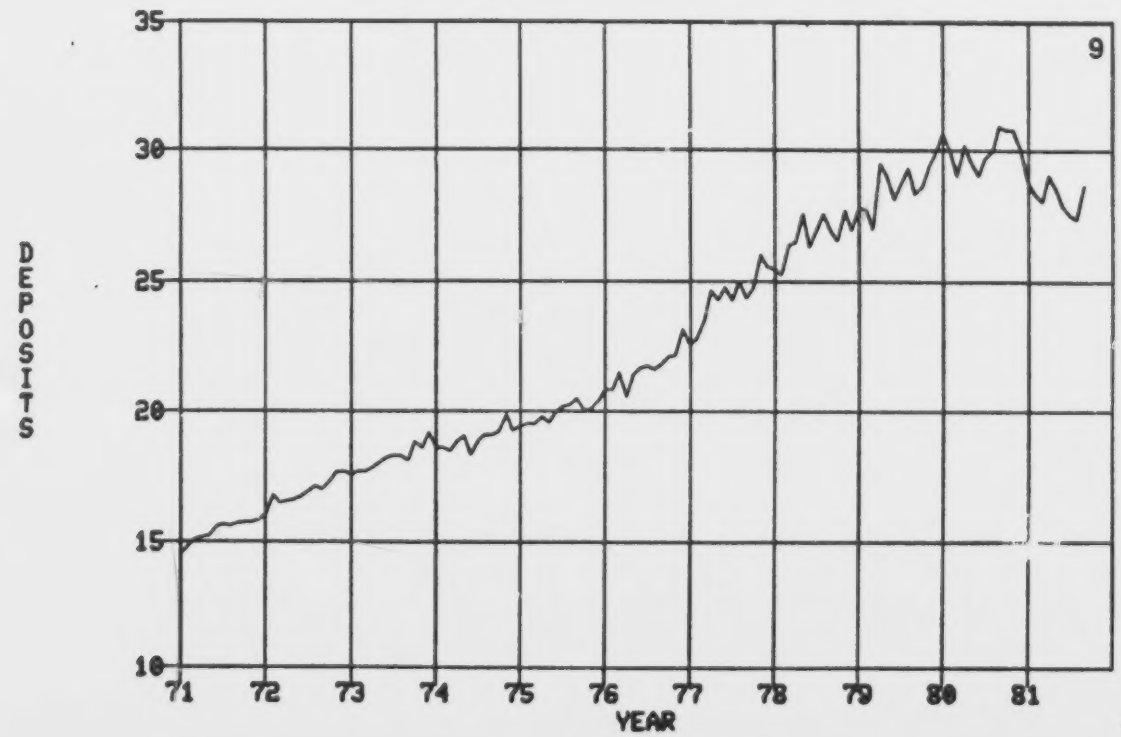
CONSUMER PRICE INDEX, SAN FRANCISCO
ALL URBAN CONSUMERS (1967=100)



CALIFORNIA COMMERCIAL AND INDUSTRIAL LOANS
(IN BILLIONS OF DOLLARS)



CALIFORNIA DEMAND DEPOSITS ADJUSTED
(IN BILLIONS OF DOLLARS)



BASIC DATA FOR CALIFORNIA ECONOMIC SERIES

(Seasonally Adjusted Except as Noted)

Year and Month	Leading Indicators: Index of Leading Indicators (1972=100)	Average Weekly Hours, Manufacturing	Nonagricultural Placements Weekly Avg. (thousands)	Initial Claims for Unemployment Insurance Weekly Avg. (thousands)	Overtime Hours Manufacturing	Private Housing Units Authorized	New Business Incorporations
1978							
January	128.3	40.0	11.3	52.0	3.2	17,865	3,510
February	129.8	40.0	11.6	49.8	3.4	19,428	3,950
March	130.4	40.2	11.2	47.8	3.3	20,063	3,710
April	132.5	40.6	10.8	48.9	3.4	19,889	3,578
May	133.1	40.1	10.8	45.7	3.3	21,652	4,113
June	135.7	40.1	10.7	48.5	3.4	39,361	4,326
July	132.7	40.0	10.4	57.7	3.4	17,819	4,063
August	133.8	40.0	10.8	54.7	3.4	14,127	4,037
September	135.2	40.0	10.5	49.4	3.4	16,317	4,258
October	136.8	40.2	10.7	45.1	3.5	17,012	3,871
November	135.6	40.2	10.7	51.4	3.5	17,402	4,466
December	136.2	40.1	10.6	49.7	3.5	18,081	4,249
1979							
January	138.5	40.3	10.4	49.1	3.7	17,607	4,838
February	138.4	40.4	9.0	50.5	3.6	16,492	4,416
March	140.0	40.0	10.9	50.3	3.4	17,517	4,425
April	135.6	38.6	10.8	54.5	2.6	19,611	4,684
May	140.1	39.9	10.2	47.9	3.2	19,011	4,671
June	141.2	39.9	9.6	48.5	3.3	17,440	4,446
July	142.5	40.1	8.6	47.4	3.5	18,113	4,445
August	143.5	40.0	9.7	47.4	3.4	18,606	4,810
September	144.6	39.8	10.0	48.4	3.3	17,596	4,450
October	144.6	40.0	9.5	51.5	3.3	18,027	4,736
November	145.3	39.8	10.2	51.2	3.6	15,262	4,857
December	145.4	40.0	10.0	52.5	3.2	13,130	4,619
1980							
January	145.8	39.6	9.2	56.1	3.2	13,773	4,796
February	148.5	39.6	9.0	54.7	3.1	15,440	5,411
March	145.3	39.7	9.0	58.8	3.2	10,136	4,505
April	142.2	39.6	8.7	59.2	3.0	9,354	4,627
May	139.5	39.5	8.2	61.5	3.0	7,540	4,200
June	140.5	39.4	7.4	61.7	2.7	10,084	3,998
July	142.4	39.3	7.1	60.5	2.8	13,069	4,453
August	144.4	39.4	6.9	57.8	2.9	11,974	4,470
September	147.4	39.5	7.6	58.1	3.0	15,942	4,755
October	148.0	39.3	7.2	55.1	3.0	13,581	5,269
November	151.3	39.6	7.8	54.8	3.1	12,224	4,573
December	151.0	39.7	7.4	58.0	3.2	11,858	5,319
1981							
January	153.8	40.0	8.5	52.3	3.2	10,336	4,903
February	155.6	39.8	8.0	53.2	2.8	11,701	5,363
March	155.2	39.5	8.3	58.4	3.0	10,024	4,926
April	155.2	39.6	7.8	54.0	2.7	13,264	5,226
May	156.7	39.9	8.4	55.4	3.1	10,852	4,618
June	157.0	39.8	8.9	53.4	2.9	9,459	5,336
July	153.6	39.4	8.3	59.3	3.0	8,584	4,871
August	152.8	39.8	7.3	59.1	3.0	6,472	4,320
September	150.8	39.4	6.3	63.7	3.0	7,557	5,190

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	Coincident Indicators: Nonagricultural Employment (thousands)	Coincident Indicators: Wages and Salaries in Mining, Manufacturing and Construction (mil dol.) a/	Coincident Indicators: Unemployment Rate	Coincident Indicators: Insured Unemployment Average Weeks Claimed (thousands)	Coincident Indicators: Personal Income (mil dol.) a/	Coincident Indicators: Taxable Sales (mil dol.) b/	Other Indicators: Manufacturing Employment (thousands)
1978							
January	8,941.0		7.3	329			1,806.4
February	9,003.0	33,533r/	7.7	321	188,312r/	26,320	1,815.3
March	9,069.9		7.8	306			1,824.3
April	9,108.7		7.3	299			1,830.7
May	9,181.0	35,566r/	7.5	296	195,570r/	28,170	1,849.2
June	9,230.1		7.2	281			1,867.4
July	9,186.8		7.8	310			1,883.8
August	9,222.9	36,650r/	6.9	367	202,806r/	28,904	1,898.5
September	9,285.5		6.6	315			1,908.4
October	9,326.5		6.4	306			1,921.5
November	9,379.2	38,189r/	6.3	297	208,438r/	29,866	1,940.3
December	9,411.4		6.5	296			1,951.1
1979							
January	9,494.4		6.7	297			1,970.7
February	9,531.8	40,180r/	6.5	293	217,444r/	31,041	1,979.2
March	9,573.8		6.5	297			1,988.1
April	9,557.5		6.2	299			1,989.9
May	9,607.2	41,533r/	6.0	295	222,892r/	32,140	1,998.5
June	9,626.4		5.9	276			2,001.3
July	9,680.5		5.9	280			2,009.5
August	9,714.8	42,772r/	6.2	282	232,363r/	33,410	2,010.1
September	9,736.8		6.3	284			2,004.2
October	9,782.0		6.2	291			2,021.3
November	9,823.4	44,256r/	6.0	294	241,225r/	34,893	2,029.2
December	9,841.4		6.3	305			2,031.4
1980							
January	9,851.7r/		6.0	308			2,034.5r/
February	9,905.8r/	45,332r/	6.3	319	248,371r/	35,375	2,037.6r/
March	9,900.3r/		6.2	335			2,033.9r/
April	9,881.4r/		7.0	346			2,021.0r/
May	9,850.0r/	45,693r/	7.1	356	252,420r/	34,704	2,001.6r/
June	9,813.2r/		7.2	391			1,984.1r/
July	9,842.6r/		6.7	403			1,985.1
August	9,853.8r/	46,470r/	7.1	402	262,283r/	35,661	1,984.2r/
September	9,890.3r/		6.9	423			1,988.9r/
October	9,938.8r/		7.2	420			2,008.6
November	9,932.1r/	49,946r/	7.2	384	275,130r/	36,942	2,003.7
December	9,977.0r/		6.6	402			2,011.8
1981							
January	10,028.8r/		7.5	338			2,019.2
February	10,025.0r/	48,927r/	7.6	361	278,110r/	37,618	2,021.2
March	10,028.1r/		7.2	366			2,023.8
April	10,031.8r/		7.1	359			2,021.1
May	10,041.1r/	52,251r/	6.5	336	287,594r/	36,996	2,017.1
June	10,029.7r/		6.7	353			2,005.3
July	10,029.0r/		7.2	352			2,005.5r/
August	10,048.9	51,634	6.7	372	295,779		2,000.1
September	10,045.6		7.2	393			1,981.8

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	Other Indicators									
		Consumer Price Index (1967=100)c/								
		San Francisco			Los Angeles					
		Wage Earner and Clerical Worker			Wage Earner and Clerical Worker					
	DOD Prime Contracts (mil dol.)b/	Old Series	New Series	All Urban	Old Series	New Series	All Urban	California Commercial and Industrial Loans (mil dol.)	California Demand Deposits Adjusted (mil dol.)	Electricity Production (mil KWH)
1978										
January		--	--	--	185.4	185.6	185.5	21,329	25,478	10,056
February	2,381	--	189.5	189.2	185.8	186.8	186.5	21,654	25,240	10,207
March		191.0	--	--	186.9	187.1	187.4	22,265	26,367	10,873
April		--	192.4	192.8	188.9	188.9	189.6	22,395	26,480	10,717
May	2,785	--	--	--	190.9	191.2	191.5	23,779	27,587	11,489
June		196.8	198.7	199.3	193.1	193.0	193.4	23,457	26,345	11,239
July			--	--		194.3	194.3	23,727	27,057	11,079
August	2,662		204.0	204.7		194.7	194.9	24,061	27,550	11,998
September			--	--		196.9	197.3	23,853	26,931	10,825
October			202.6	203.2		197.2	197.8	24,178	26,545	12,545
November	2,737		--	--		197.5	198.1	24,790	27,695	13,202
December			200.4	200.8		197.0	197.1	24,390	26,956	13,933
1979										
January			--	--		199.7	199.6	24,955	27,782	13,498
February	3,053		204.2	203.9		202.3	201.9	25,563	27,761	12,435
March			--	--		204.4	203.8	25,917	27,011	10,402
April			209.3	208.8		208.8	207.8	25,836	29,474	11,829
May	2,424		--	--		212.4	211.0	26,618	29,038	14,132
June			213.7	212.5		214.5	212.9	26,786	28,141	14,539
July			--	--		216.8	214.7	27,380	28,715	13,082
August	3,441		218.6	218.3		219.6	217.5	27,864	29,326	12,442
September			--	--		223.0	220.7	27,517	28,360	12,687
October			220.8	221.5		224.0	221.8	28,191	28,613	12,039
November	3,251		--	--		225.8	224.2	27,628	29,341	12,768
December			229.0	230.2		229.9	228.0	28,396	29,951	12,938
1980										
January			--	--		235.0	232.6	28,763	30,657	12,731
February	3,575		240.0	240.7		240.0	237.6	29,315	29,968	13,310
March			--	--		243.9	241.3	29,691	29,037	12,229
April			242.8	243.5		247.8	244.6	28,966r/	30,185r/	12,268
May	3,388		--	--		252.6	249.1	29,091	29,577	10,291
June			247.7	248.0		253.4	250.1	29,203	29,049	9,675
July			--	--		251.5	248.7	29,414	29,714	11,715
August	3,666		251.4	251.0		250.1	247.3	29,979	29,981	12,019
September			--	--		251.6	249.6	30,175	30,939	11,738
October			252.6	251.9		254.9	252.6	30,961	30,809	12,115
November	3,259		--	--		258.4	255.5	31,832	30,802	11,364
December			255.7	254.9		262.2	258.7	32,213	30,041	
1981										
January			--	--		262.7	259.4	32,168	28,806	
February	4,435		261.6	260.5		265.0	261.6	31,730	28,371r/	
March			--	--		266.5	263.3	31,822r/	28,066	
April			270.9	270.3		269.1	265.5	32,050	29,062	
May	4,001		--	--		270.7	267.3	33,120	28,542	
June			274.3	274.0		271.7	267.9	33,882	27,891	
July			--	--		276.3	272.2	34,365	27,533	
August			287.2	287.9		278.6	274.8	35,035	27,385	
September			--	--		282.9	279.3	35,295	28,657	

a/Quarterly data, annual basis.
b/Quarterly data.
c/Not adjusted for seasonal variation.
r/Revised

CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national events of general interest have also been included.

1961

February 17-23	National airline strike.
March 9-13	California dock strike by Teamsters.
May 5	Minimum wage legisation signed: $1.15 for 2 years, $1.25 thereafter.
June 16-July 4	National maritime strike. Strike resumed September 28-October 12 against owners of 1/3 West Coast merchant fleet.
August 11	Duty exemption for U.S. travelers returning from abroad cut from $500 to $100.
August 26	American Motors Corporation--UAW profit-sharing pact announced.
September 6-24	UAW-GM strike.
October 3-15	UAW-Ford strike.

1962

January 1	Federal Reserve Board and Federal Deposit Insurance Corporation authorize commercial banks to raise interest rates to 3-1/2 percent on all savings and time deposits of six months or longer, and to 4 percent on deposits of one year or more.
March 16-April 11	West Coast maritime strike.
May 1-June 26	Northern California construction strike. Southern California strike, June 18-27. San Diego strike, June 21-July 10.
May 28	"Blue Monday." Dow Jones Industrial Average dow 34.95 points, sharpest drop since October 28, 1929. Week of May 21-25: average down 38.82, largest one-week decline on record.
July 10	Stock margin requirements cut from 70 percent to 50 percent.
July 11	Revision of depreciation schedules announced by Treasury.

1963

October 18	Commercial bank reserve requirements against time deposits reduced from 5 percent to 4 percent.
June 5	Silver backing for Treasury silver certificates removed to ease pressure on silver prices. Sale of silver from Treasury stockpile started September 12.
July 17	Discount rate raised from 3 percent to 3-1/2 percent.
November 5	Stock margin requirements raised from 50 percent to 70 percent.
November 22	President Kennedy assassinated.

1964

February 26	Federal income tax cut measure signed into law. Reflected in withholding rates effective March 5. Individual tax rates cut from 20 percent to 91 percent range to 14 percent to 70 percent range. Corporation reduction to 48 percent from 52 percent.
September 25-November 8	UAW strike against GM.
November 23	Discount rate increased from 3-1/2 percent to 4 percent.
December 22-24	Northern California floods.

1965

March 1-23	Strike by steel workers at American and Continental can companies.
June 16-August 7	Northern California construction strike.
June 17-July 19	Southern California construction strike.
August 11-17	Los Angeles riots, Watts area.
December 6	Discount rate raised from 4 percent to 4-1/2 percent.

1965--Continued

December 13	Permitted interest on savings accounts raised from 4-1/2 percent to 5-1/2 percent under Regulation Q.

1966

January 1	Increased social security taxes in effect.
February 8	FHA interest rate raised from 5-1/4 percent to 5-1/2 percent, no change in 1/2 percent loan insurance rate.
March 11	Prime rate raised from 5 percent to 5-1/2 percent in Eastern financial markets.
March 16	Auto excise tax raised from 6 percent to 7 percent.
April 1	Telephone excise tax of 10 percent reinstated.
April 12	FHA interest rate increased from 5-1/2 percent to 5-3/4 percent.
May 1	Increased withholding tax rates in effect.
June 30	Prime rate raised from 5-1/2 percent to 5-3/4 percent in New York, Chicago.
July 8-August 20	Airline strike.
August 16	Prime rate up to 6 percent, Eastern cities.
October 3	FHA interest rate raised from 5-3/4 percent to 6 percent.
October 10	Suspension of 7 percent investment credit and accelerated depreciation allowance.

1967

January 26	Prime rate lowered from 6 percent to 5-1/2 percent.
February 1	Minimum wage increased to $1.40 from $1.25 per hour.
March 9	Investment tax credit and accelerated depreciation allowance reinstated.
April 7	Discount rate lowered from 4-1/2 percent to 4 percent.

1967--Continued

April 21-July 26	Rubber strike.
July 15-March 20, 1968	Copper strike.
August 30	Steel price rises announced.
September 6-October 25	UAW strike against Ford.
November 20	Discount rate raised from 4 percent to 4-1/2 percent. Prime rate increased from 5-1/2 percent to 6 percent.
December 15	Los Angeles (Herald Examiner) newspaper strike.
December 27	Increase of 1/2 percent in reserve requirements announced. Effective in two stages during January 1968.

1968

January 1	Wage base for social security contributions raised from $6,600 to $7,800.
January 5-February 25	San Francisco newspaper strike.
February 1	Minimum wage increased to $1.60 from $1.40 per hour.
March 1	Increase in social security benefit payments, averaging 13 percent.
March 15	Discount rate raised from 4-1/2 percent to 5 percent. San Francisco increase effective March 18; New York up March 22. Highest level since 1929.
March 15-April 1	Trading in London gold market suspended. Two-price system for gold effective March 18 by London gold pool countries.
April 1	Personal income tax surcharge. See June 28.
April 1-June 13	San Francisco area machinists and electrical workers strike.
April 19	Discount rate raised to 5-1/2 percent. Prime rate increased from 6 percent to 6-1/2 percent.
May 7	FHA interest rate raised from 6 percent to 6-3/4 percent.
May 16	UAW suspended from AFL-CIO.

1968--Continued

June 8	Stock margin requirements raised from 70 percent to 80 percent.
June 28	Tax surcharge and $6 billion Federal spending cut legislation signed by President Johnson. 10 percent surcharge retroactive to April 1 for individuals, January 1 for corporations.
July 15	Increased personal income tax withholding in effect.
August 16-29	Federal reserve discount rate lowered from 5-1/2 percent to 5-1/4 percent.
September 25	Prime rate lowered from 6-1/2 percent to 6 percent by Chase Manhattan. (Subsequent reduction by other banks to 6-1/4 percent. Chase Manhattan rate raised to 6-1/4 percent effective November 13.)
December 2	Prime rate raised from 6-1/4 percent to 6-1/2 percent.
December 18	Federal Reserve discount rate raised from 5-1/4 percent to 5-1/2 percent. Prime rate raised from 6-1/2 percent to 6-3/4 percent.

1969

January 1	Social security contribution rate increased to combined 9.6 percent.
January 7	Prime rate raised from 6-3/4 percent to 7 percent.
January 24	FHA interest rate raised from 6-3/4 percent to 7-1/2 percent.
March 17	Prime rate raised from 7 percent to 7-1/2 percent.
April 3	Discount rate raised from 5-1/2 percent to 6 percent; reserve requirement raised.
June 9	Prime rate raised from 7-1/2 percent to 8-1/2 percent.
June 12	Required liquidity reserves of savings and loan associations lowered from 6-1/2 percent to 6 percent.

1970--Continued

October 27-February 1970	General Electric strike.

1970

January 1	Personal income tax surcharge reduced to 5 percent. Withholding cut.
January 5	FHA interest rate raised from 7-1/2 percent to 8-1/2 percent.
January 21	Increased schedule of interest rates on time deposits and certificates of deposit in effect.
March 25	Prime rate reduced from 8-1/2 percent to 8 percent.
April 2-June 2	Teamster strike.
May 6	Stock margin requirement cut from 80 percent to 65 percent.
July 1	Personal income tax surcharge removed.
September 14-November 23	UAW strike against GM.
September 22	Prime rate reduced from 8 percent to 7-1/2 percent.
November 10	Discount rate reduced from 6 percent to 5-3/4 percent.
November 12	Prime rate reduced from 7-1/2 percent to 7-1/4 percent.
November 23	Prime rate reduced from 7-1/4 percent to 7 percent.
December 1	Discount rate reduced from 5-3/4 percent to 5-1/2 percent. FHA interest rate reduced from 8-1/2 percent to 8 percent.
December 20	13-week extended duration unemployment benefits in effect.
December 22	Prime rate reduced from 7 percent to 6-3/4 percent.

1971

January 6	Prime rate reduced from 6-3/4 percent to 6-1/2 percent.

1971--Continued

January 8	Discount rate reduced from 5-1/2 percent to 5-1/4 percent.
January 12	FHA interest rate reduced from 8 percent to 7-1/2 percent.
January 15	Prime rate reduced from 6-1/2 percent to 6-1/4 percent.
January 18	Prime rate reduced from 6-1/4 percent to 6 percent.
January 19	Discount rate reduced from 5-1/4 percent to 5 percent.
February 4	Rolls Royce bankruptcy announced.
February 9	Los Angeles earthquake.
February 12	Discount rate reduced from 5 percent to 4-3/4 percent.
February 16	Prime rate reduced from 6 percent to 5-3/4 percent.
February 23	Davis Bacon Act regulating construction wages on Federal projects suspended. Suspension revoked on March 29. Wage-price curbs ordered.
March 16	Prime rate reduced from 5-3/4 percent to 5-1/2 percent.
March 17	Social security bill signed. Benefits raised 10 percent, retroactive to Jaunary 1, 1971. Contribution base raised to $9,000 effective January 1, 1972.
March 25	SST program terminated.
April 1	Interest rates on savings accounts in California banks generally reduced from 4-1/2 percent to 4 percent.
April 23	Prime rate raised from 5-1/4 percent to 5-1/2 percent.
May 1	Liquidity ratio for savings and loan associations raised from 6-1/2 percent to 7-1/2 percent.
May 17-18	Rail strike.
June 1-July 27	Communications workers strike against Western Union.

1971--Continued

June 15-21	Prime rate increased from 5-1/2 percent to 5-3/4 percent. General rise to 6 percent on July 7.
June 29-July 16	Northern California construction strike.
July 1-October 6	West Coast dock strike.
July 14-August 2	Telephone strike.
July 15	Discount rate raised from 4-3/4 percent to 5 percent.
July 16-August 2	Rail strike.
July 31	Steel strike averted by accord on contract.
August 2	Lockheed loan guarantee approval.
August 3	Teamsters walkout in Northern California against building contractors.
August 15-November 13	President's economic policy message; 90-day wage-price freeze in effect.
October 1	East and Gulf Coast longshoremen's strike.
October 20	Prime rate reduced from 6 percent to 5-3/4 percent. Further reduction to 5-1/2 percent on November 4.
November 11	Discount rate reduced from 5 percent to 4-3/4 percent.
November 14	Phase II of NEP in effect.
December 6	Stock margin requirements cut from 65 percent to 55 percent.
December 10	Revenue Act of 1971 signed into law.
December 13	Discount rate reduced from 4-3/4 percent to 4-1/2 percent. Prime rate lowered from 5-1/2 percent to 5-1/4 percent.*
	Intent to devalue U.S. dollar announced.

* Adoption of a floating prime rate in November 1971 has resulted in frequent minor adjustments in the rate. Information on the range of rates at any one time and the rate charged by the majority of commercial banks may be obtained from the Federal Reserve Bulletin.

1972

January 17-February 20	West Coast dock strike continued.
February 1-March 15	Kaiser Steel Company strike.
July 1	20 percent increase in social security benefits signed into law. Effective September.
September 11	Opening of BART Fremont-Oakland line.
September 21	"Friends of Mammoth" decision.
November 24	Stock margin requirements raised to 65 percent.

1973

January 11	Phase III of NEP in effect.
January 15	Discount rate raised from 4-1/2 percent to 5 percent.
January 27	Viet Nam cease fire signed.
January 29	Opening of BART Richmond-Oakland line.
February 12	10 percent devaluation of U.S. dollar announced.
March 2	Major foreign currency exchanges closed.
March 29	Price controls of meat announced.
April 9-13	Consumer meat boycott.
April 23	Discount rate raised from 5-1/2 percent to 5-3/4 percent.
May 10	Discount rate raised from 5-3/4 percent to 6 percent.
June 11	Discount rate raised from 6 percent to 6-1/2 percent.
June 14	60-day price freeze announced.
July 2	Discount rate raised from 6-1/2 percent to 7 percent. Increased reserve requirement on net demand deposits.
July 6	Interest rates increased: FHA mortgage rate: 7 percent to 7-3/4 percent; bank savings rate: 4-1/2 percent to 5 percent; savings and loan rate: 5 percent to 5-1/4 percent.

1973--Continued

July 18	Phase IV announced.
August 27	Prime rate at 9-3/4 percent in major institutions.
October 17	Arab nations announce reductions in oil shipment.
November 5-December 18	TWA strike.

1974

January 3	Stock margin requirements cut from 65 percent to 50 percent.
February 1-11	Independent truckers strike, midwest and east coast.
February 15	Prime rate reduced to 9 percent.
February 22	Prime rate reduced to 8-3/4 percent.
March 4	California minimum wage increased to $2.00 per hour from $1.65.
March 18	Arab oil embargo lifted.
March 27	Prime rate increased to 9 percent from 8-3/4 percent.
March 28	Prime rate further increased to 9-1/2 percent.
April 25	Federal Reserve raised discount rate to 8 percent from 7-1/2 percent.
April 29	Prime rate up to 10-3/4 percent.
April 30	Phase IV controls lifted in approximately 165 sectors of the economy.
June 17-August 4	San Diego construction strike.
June 17-July 21	Northern California construction strike.
July 1-Mid-August	Southern California construction strike.
July 1	Transit strikes, San Francisco Bay Area.
August 2-October 21	Los Angeles area transit strike.
August 8	Resignation of President Nixon announced.

1974--(Continued)

August 14 — FHA mortgage rate raised to 9-1/2 percent.

Prime rate reduced from 12 percent to 11-3/4 percent on limited basis. Prevailing rate on date of major changes:

October 21....11 1/2 percent
October 28....11 1/4 percent
November 4....11 percent
November 14...10 3/4 percent
November 25...10 1/2 percent

October 8 — Prime rate reduced from 12 percent to 11-3/4 percent by several more large banks.

November 12-December 9 — Coal strike.

December 9 — Discount rate reduced from 8 percent to 7-3/4 percent.

1975

January 6 — Federal Reserve discount rate cut from 7-3/4 percent to 7-1/4 percent.

January 10 — Oil Chemical Atomic Workers Union strike.

January 13 — Prime rate reduced to 10 percent. Further major cuts as follows:

Jannuary 21.....9 3/4 percent
January 31.....9 percent
February 6.....8 3/4 percent
February 19.....8 1/2 percent
March 3.....8 1/4 percent
March 8.....8 percent

January 21 — FHA mortgage rate reduced from 9 percent to 8-1/2 percent.

February 5 — Federal Reserve discount rate cut from 7-1/4 percent to 6-3/4 percent.

March 10 — Federal Reserve discount rate cut from 6-3/4 percent to 6-1/4 percent.

March 24 — Prime rate reduced to 7-1/2 percent by most major banks.

March 25 — King Faisal assassinated.

March 29 — Tax reduction act signed into law.

May 19 — Prime rate reduced to 7-1/4 percent by several major banks.

June 10 — Prime rate reduced to 7 percent by most banks.

1975--Continued

July 18 — Prime rate increased to 7-1/4 percent. Further gains as follows:

July 25.....7-1/2 percent
August 11.....7-3/4 ercent
September 15....8 percent

September 1 — National Airlines strike.

October 16 — Reserve requirement on time deposits reduced from 3 percent to 1 percent.

October 24 — Prime rate reduced to 7-3/4 percent. Further reductions as follows:

October 31.....7-1/2 percent
November 21.....7-1/4 percent

December 5-19 — United Airlines strike.

1976

January 12 — Prime rate lowered to 7 percent.

January 19 — Federal Reserve discount rate lowered from 6 percent to 5-1/2 percent.

January 21 — Prime rate reduced to 6-3/4 percent.

April 1-3 — Teamsters strike.

April 9-June 4 — Prime rate moving upward, 6-3/4 percent to 7-1/4 percent at most major banks.

April 21 — Rubber workers strike.

July 20-August 2 — Cannery workers strike.

August 2 — Prime rate reduced to 7 percent. Further reductions as follows:

October 4.....6-3/4 percent
October 29.....6-1/2 percent
December 10.....6-1/4 percent

September 15-October 13 — Auto workers strike.

October 18 — California minimum wage raised to $2.50 per hour.

December 22 — Prime rate reduced to 6 percent by Chase Manhattan Bank. Most banks maintain a prime rate of 6-1/4 percent.

1977

May 16 — Prime rate raised to 6-1/2 percent.

1977--Continued

May 31	Prime rate raised to 6-3/4 percent.
August 22	Prime rate raised to 7 percent.
August 30	Federal Reserve discount rate raised from 5-1/4 percent to 5-3/4 percent, the first increase since April 1974.
September 16	Prime rate raised to 7-1/4 percent.
October 1-November 24	Longshoremen's strike against East and Gulf Coast ports.
October 7	Prime rate raised to 7-1/2 percent.
October 10-January 4	IAM-Lockheed strike.
October 24	Prime rate raised from 7-1/2 percent to 7-3/4 percent.
October 26	Discount rate raised from 5-3/4 percent to 6 percent.
December 6-March 24	United Mine Workers strike.

1978

January 1	U.S. minimum wage increased to $2.65 per hour.
January 9	Discount rate raised from 6 percent to 6-1/2 percent.
January 10	Prime rate raised to 8 percent.
February 28	FHA mortgage rate raised from 8-1/2 percent to 8-3/4 percent.
April 1	California minimum wage increased from $2.50 to $2.65 per hour.
April 1-May 28	United Airlines strike.
May 4	Prime rate raised from 8 percent to 8-1/4 percent.
May 8	California savings and loan assocations raised mortgage rates from 9-3/4 percent to 10 percent.
May 12	Discount rate raised to 7 percent.

1978--Continued

May 23	Federal funds rate increased to 7-1/2 percent.
	FHA-VA mortgage rate raised from 8-3/4 percent to 9 percent.
May 26	Prime rate raised from 8-1/4 percent to 8-1/2 percent.
June 6	Proposition 13 approved by California voters.
June 16	Prime rate raised to 8-3/4 percent.
June 20	OPEC announced a freeze on crude oil prices until December 16.
June 22	Federal funds rate raised from 7-1/2 percent to 7-3/4 percent.
June 29	FHA-VA mortgage rate raised to 9-1/2 percent.
June 30	Prime rate raised to 9 percent.
July 10	Discount rate raised to 7-1/4 percent.
July 18	Teamsters union strike affecting supermarkets throughout Northern California.
August 20	Retail clerks union strike in Southern California.
August 21	Discount rate raised to 7-3/4 percent.
August 29	Federal funds rate raised from 8-1/8 percent to 8-1/4 percent.
August 31	Prime rate raised by some eastern banks from 9 percent to 9-1/4 percent.
September 15	Prime rate raised to 9-1/2 percent.
September 22	Discount rate raised from 7-3/4 percent to 9-3/4 percent.
September 28	Prime rate raised from 9-1/2 percent to 9-3/4 percent.
October 12	Prime rate raised from 9-3/4 percent to 10 percent.

1978--Continued

October 15	Tax cut and energy bills passed by Congress.
October 16	Discount rate raised from 8 percent to 8-1/2 percent.
October 18	Federal funds rate raised from 8-3/4 percent to 8-7/8 percent.
October 24	Prime rate raised from 10 percent to 10-1/4 percent.
	California mortgage rates raised from 10 percent to 10-1/4 percent at several savings and loan institutions.
October 24	Phase II announced: voluntary guidelines on wages and prices.
November 1	Discount rate raised from 8-1/2 percent to 9-1/2 percent.
	Prime rate raised to 10-1/2 percent.
November 3	Prime rate raised from 10-1/2 percent to 10-3/4 percent.
November 13	Prime rate raised from 10-3/4 percent to 11 percent.
November 24	Prime rate raised to 11-1/2 percent.
November 27	Federal funds rate raised from 9-3/4 percent to 9-7/8 percent.
December 4	Rollover for 6-month certificates of deposit (CDs) began this week.
December 19	Federal funds rate raised to 10 percent.
December 20	Prime rate raised to 11-3/4 percent.

1979

January 1	U.S. minimum wage increased to $2.90 per hour.
January 13	Prime rate reduced to 11-1/2 percent.
March 15	Terms for MMCs changed. 1/4 point differential over 9 percent eliminated.

1979--Continued

March 27	OPEC price increases: 9 percent. Selected surcharges imposed.
March 31	United Airlines-machinist strike.
April 1-10	Teamsters strike.
May 7	Prime rate moved to 11-3/4 percent from 11-1/2 percent.
May 19	Federal funds rate set at 7-1/4 percent.
May 26	United Airlires strike ended.
May 30	Interest rate on conventional mortgages raised to 11-3/4 percent.
June 12	Prime rate reduced to 11-1/2 percent.
July 1	Interest rates on passbook accounts up to 5.5 percent at Savings and Loans and 5.25 percent for banks.
July 20	Discount rate raised from 9-1/2 percent to 10 percent.
August 16	Discount rate raised to 10-1/2 percent.
August 24	Federal funds rate raised from 11 percent to 11-1/4 percent.
August 26-September 10	Los Angeles Rapid Transit District strike.
August 28	Prime rate raised from 12 percent to 12-1/4 percent.
August 31-November 21	BART strike.
September 4	Federal funds rate raised from 11-1/percent

1980

February 25	Prime rate raised to 16-1/2 percent.
February 27	Ceilings on interest rates for government backed mortgages raised to 13 percent.
February 29	Prime rate raised to 16-3/4 percent.

1980--Continued

March 4	Prime rate raised to 17-1/4 percent.
March 7	Prime rate raised to 17-3/4 percent.
March 13	Prime rate raised to 18-1/4 percent.
March 14	Announcement of tighter fiscal policies.
March 18	Prime rate raised to 19 percent.
April 2	Prime rate raised to 20 percent.
April 3	FHA mortgages raised to 14 percent.
April 20	Prime rate reduced to 19-1/2 percent.
April 28	FHA mortgages reduced to 13 percent.
	Prime rate reduced to 18-1/2 percent.
May 5	Prime rate reduced to 18 percent.
May 7	Prime rate reduced to 17 percent.
May 12	Prime rate reduced to 16-1/2 percent.
May 19	Prime rate reduced to 16 percent.
May 28	Discount rate lowered to 12 percent from 13 percent.
June 4	Prime rate reduced to 13 percent.
June 12	Discount rate lowered to 11 percent. Prime rate reduced to 12-1/2 percent.
June 20	Prime rate reduced to 12 percent.
June 24	Prime rate reduced to 11-1/2 percent. Some conventional mortgage rates fell to 12 percent.
June 25	Carpenters strike in Northern California ended.
July 3	ICC begins trucking industry deregulation.
July 21	Motion picture and television industry strike.

1980--Continued

July 22	Prime rate reduced to 11 percent.
July 25	Prime rate reduced to 10-3/4 percent.
July 28	Discount rate reduced to 10 percent.
August 5	Prime rate raised to 11 percent.
August 27	Prime rate raised to 11-1/2 percent.
September 5	FHA mortgage interest rate raised from 11-1/2 to 12 percent.
September 12	California morgage rate raised from 13-1/2 percent to 13-3/4 percent.
September 25	Pacific Southwest Airlines (PSA) pilots strike begins.
September 26	Discount rate raised from 10 to 11 percent. Prime rate raised from 12-1/2 percent to 12-3/4 percent.
October 2	Prime raised from 13 to 13-1/2 percent.
October 3	Prime raised to 14 percent.
October 15	AFTA workers return to work.
October 23	Screen Actors Guild strike ends.
October 30	Prime raised from 14 to 14-1/2 percent.
November 7	Prime raised from 14-1/2 to 15-1/2 percent.
November 14	PSA pilots strike ends.
November 17	Prime raised to 16 1/4 percent. Discount rate raised from 11 to 12 percent.
November 21	Prime raised to 17 percent.
November 28	Prime raised to 17-3/4 percent.
December 3	Prime raised from 17-3/4 to 18-1/2 percent.
December 5	Discount rate raised from 12 to 13 percent. Prime raised to 19 percent.
December 11	Prime raised to 20 percent.
December 17	Prime raised from 20 to 21 percent.

1980--Continued

December 23	Prime lowered from 21 to 20-1/2 percent.

1981

January 1	Minimum wage raised from $3.10 to $3.35.
January 6	Prime lowered to 20 percent.
January 20	American hostages released from Iran.
	Ronald Reagan inaugrated as 40th President of the U.S.
January 28	Deregulation of oil and gas industry announced, effective immediately.
January 29	Prime rate lowered to 19-1/2 percent from 20 percent.
February 16	General Motors and Ford rebate plans announced.
February 23	Prime rate lowered to 18 percent.
March 2	Prime rate lowered to 18-1/2 percent.
March 10	Prime rate lowered to 18 percent.
March 16	Prime rate lowered to 17-1/2 percent.
March 18	Prime rate lowered to 17 percent.
March 26	United mine workers strike.
April 13	Prime rate raised to 17-1/2 percent.
April 29	Prime rate raised to 18 percent.
May 4	Prime rate raised to 19 percent.
May 5	Discount rate raised from 13 percent to 14 percent.
May 8	FHA-VA rate up to 15-1/2 percent from 14-1/2 percent.
May 11	Prime rate raised to 19-1/2 percent.
May 22	Prime rate raised to 20 percent.

1981--(Continued)

May 27	OPEC fails to agree on a uniform price schedule. OPEC officials freeze prices at current level.
June 5	Dollar reaches highest level in international trading since December 1971.
June 8	Coal miners end 72 day strike and ratify a 40-month contract.
July 8	Prime rate raised to 20-1/2 percent.
August 3	Air traffic controller's strike.
August 14	President Reagan signs both the tax- and budget-cut bills into law.
August 18	FHA-VA rate up to 16-1/2 percent from 15-1/2 percent.
September 1	Prime rate lowered to 20 percent.
September 21	Prime rate lowered to 19-1/2 percent.
September 22	Fed surcharge cut to 3 percent from 4 percent.
October 6	Prime rate lowered to 19 percent.
	Egyptian President Sadat assassinated.
October 13	Prime rate lowered to 18 percent.
October 30	OPEC price set at $34.00/barrel--the Saudi benchmark.
November 1	Passbook interest rate raised 1/2 percent to 5-3/4 percent.
November 2	Fed discount rate cut from 14 percent to 13 percent.
	Prime rate lowered to 17-1/2 percent.
November 10	Prime rate lowered to 17 percent.
November 13	Prime rate lowered to 16-1/2 percent.

SOURCES OF STATISTICAL SERIES

Employment Development Department *Employment Data and Research*	Civilian employment Unemployment Unemployment rate Nonagricultural employment Manufacturing employment Hours and earnings Nonagricultural placements Initial claims for unemployment insurance Insured unemployment Index for production worker man-hours
Department of Industrial Relations *Division of Labor Statistics and Research*	California consumer price index
Department of Finance	Personal income Wages and salaries Index of leading indicators
Department of Motor Vehicles	New auto registrations
State Board of Equalization	Taxable sales
Security Pacific National Bank	Housing units authorized Valuation of nonresidential construction
U.S. Department of Commerce	Retail sales
U.S. Bureau of Labor Statistics	Consumer price indices
U.S. Department of Defense	Prime defense contracts
Federal Power Commission	Electricity production
California Redwood Association	Lumber production
Conservation Committee of California Oil Producers	Petroleum production
American Iron and Steel Institute	Steel production
U.S. Bureau of Mines	Cement production
Dun and Bradstreet	Business failures and liabilities
California Secretary of State	New business incorporations
Federal Reserve Bank of San Francisco	Demand deposits Commercial and industrial loans

REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854 -

Initial trough	Peak	Terminal trough	Expansion (months)	Contraction (months)	Total (months)
Dec. 1854	June 1857	Dec. 1858	30	18	48
Dec. 1858	Oct. 1860	June 1861	22	8	30
June 1861	April 1865	Dec. 1867	46	32	78
Dec. 1867	June 1869	Dec. 1870	18	18	36
Dec. 1870	Oct. 1873	March 1879	34	65	99
March 1879	March 1882	May 1885	36	38	74
May 1885	March 1887	April 1888	22	13	35
April 1888	July 1890	May 1891	27	10	37
May 1891	Jan. 1893	June 1894	20	17	37
June 1894	Dec. 1895	June 1897	18	18	36
June 1897	June 1899	Dec. 1900	24	18	42
Dec. 1900	Sept. 1902	Aug. 1904	21	23	44
Aug. 1904	May 1907	June 1908	33	13	46
June 1908	Jan. 1910	Jan. 1912	19	24	43
Jan. 1912	Jan. 1913	Dec. 1914	12	23	35
Dec. 1914	Aug. 1918	March 1919	44	7	51
March 1919	Jan. 1920	July 1921	10	18	28
July 1921	May 1923	July 1924	22	14	36
July 1924	Oct. 1926	Nov. 1927	27	13	40
Nov. 1927	Aug. 1929	March 1933	21	43	64
March 1933	May 1937	June 1938	50	13	63
June 1938	Feb. 1945	Oct. 1945	80	8	88
Oct. 1945	Nov. 1948	Oct. 1949	37	11	48
Oct. 1949	July 1953	May 1954	45	10	55
May 1954	Aug. 1957	April 1958	39	8	47
April 1958	April 1960	Feb. 1961	24	10	34
Feb. 1961	Dec. 1969	Nov. 1970	106	11	117
Nov. 1970	Nov. 1973	March 1975	36	16	52
March 1975	Jan. 1980		58		

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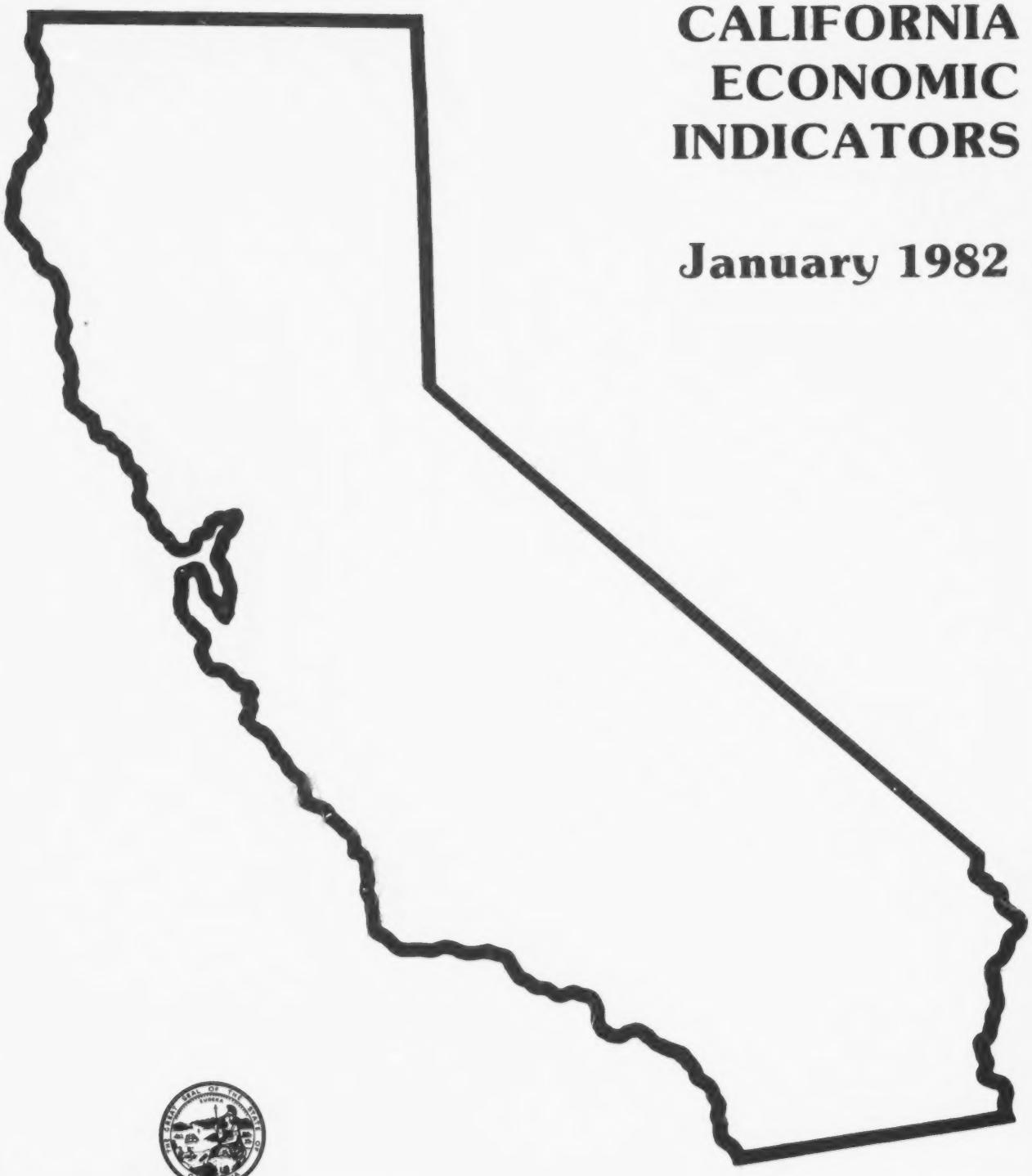
CALIFORNIA ECONOMIC INDICATORS

January 1982



DEPARTMENT OF FINANCE

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INTRODUCTION

California Economic Indicators is a bimonthly summary of economic trends and data relating to the State of California. Generally patterned after the U.S. Census Bureau publication Business Conditions Digest, the report contains the following regular features:

- review of economic developments
- current California economic data table
- economic indicator charts
- basic data for California economic series
- chronology of major economic events.

Developments in California over the most recent months are reviewed in a brief text, and then summarized in a current data table which shows changes over the previous year. Charts containing monthly and quarterly series from 1971 are included to facilitate the review of current developments, and to appraise the significance of the developments on the State economy. Much of the data in the report has been seasonally adjusted by the source agency or the Department of Finance.

Sources are cited on the inside back cover to assist readers in obtaining any additional information on the statistical series published. Finally, reference dates for U.S. business cycles, as determined by the National Bureau of Economic Research, are shown on the back of the publication.

Individuals or businesses seeking assistance in their economic development or job creation efforts are advised to contact the Department of Economic and Business Development. The Department can also provide additional general information on economic opportunities in California. Correspondence should be addressed to: State of California, Department of Economic and Business Development, 1120 N Street, Sacramento, CA 95814.

The Department of Finance welcomes suggestions on additions or changes which would make the Indicators a more useful publication. Correspondence should be addressed to: State of California, Department of Finance, Financial Research Unit, 1025 P Street, Sacramento, CA 95814.

Subscriptions are $5.00 per year, and begin with the January issue. The subscription price will be prorated throughout the year based upon the beginning subscription date, as shown below:

Beginning Subscription Date	Prorated Amount Due
January	$5.00
March	4.15
May	3.35
July	2.50
September	1.65
November	0.85

Mail subscription requests to the California Department of Finance, P.O. Box 151, Sacramento, CA 95801. Make checks payable to the California Department of Finance.

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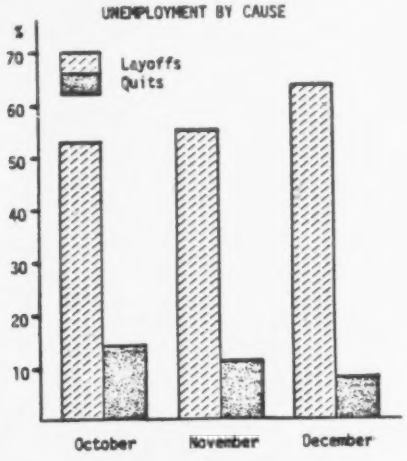
The California economy is on a downtrend. The unemployment rate leaped from 8.2 percent in November to 8.9 percent in December--the highest rate in five years--and now the same as the U.S. average. The number of people unemployed increased by 76,000 to 1,014,000 in December. Only one other time--November 1976--has the number of people unemployed exceeded one million.

Typical of a recessionary period, the percentage of persons unemployed due to layoffs is increasing while the proportion who voluntarily quit has been declining. This is illustrated in the graph below.



Total nonagricultural wage and salary employment fell 0.1 percent in December, to a seasonally adjusted 10,111,400. This represents a loss of 8,000 jobs since November.

Without question, construction employment has been the hardest hit by the current recession. December employment, at a seasonally adjusted 401,400 jobs, is at the lowest level since March 1978. Durable goods and retail sales employment are also showing substantial declines. December durable goods employment, at 1,369,400, is at the lowest level in 12 months and retail trade employment, at 1,719,300, is the lowest in six months.

The current weakness has not extended to all sectors, however. December services employment was up 4.9 percent from the year ago level. Also showing resistance to the downturn are the finance group, wholesale trade, and mining employment with 3.4, 3.0, and 8.8 percent increases respectively, over year-ago levels.

(All nonagricultural employment data, including number in the California Economic Factors Table, represent the Interim Benchmark Series prepared by the Employment Development Department. December data are estimated by the Department of Finance base upon the official BLS employment series).

The inflation rate in California, as measured by the consumer price index, has shown mixed signals recently. The annualized November increase for Los Angeles - Long Beach, for example, was 2.2 percent while the rate for San Diego was 15.0 percent. This difference in rates can be traced almost exclusively to higher growth in the homeownership cost in San Diego.

Housing activity continues to deteriorate. November housing units authorized slid from an already low 70,700 annual rate to 65,300 units. The 7-1/2 percent decline can be attributed not only to persistantly high mortgage rates but also to the current downturn. As long as the recession continues on its downward path, so too will housing.

The California Index of Leading Indicators fell 2.7 percent in October. This was the fourth straight month of decline and the index is now at the lowest level in 11 months. This suggests that the current deterioration in economic conditions will continue over the next several months.

CURRENT CALIFORNIA ECONOMIC DATA

	1981				1980		Percent Change Nov. 1980-Nov. 1981
	Nov.	Oct.	Sept.	Aug.	Nov.	Oct.	
Employment[a]							
Civilian employment (000)	10,566	10,556	10,528	10,629	10,497	10,441	0.6
Unemployment (000)	938	932	820	768	815	805	15.1
Unemployment rate	8.2	8.1	7.2	6.7	7.2	7.2	--
Nonagricultural wage and salary employment[b] (000)	10,119.4	10,123.2	10,109.6	10,110.2	9,934.5	9,941.1	1.9
Mining	49.3	49.1	49.0	48.5	44.6	44.2	10.5
Construction	413.9	415.9	415.4	420.7	447.4	445.0	-7.5
Manufacturing	2,014.2	2,011.5	2,011.8	2,027.8	2,004.4	2,011.4	0.5
Aerospace[c]	620.2	620.4	621.6	623.5	623.9	620.9	-0.6
Transportation--communications public utilities	557.0	560.1	560.6	562.5	544.3	547.8	6.0
Trade	2,339.3	2,343.8	2,342.9	2,338.5	2,279.2	2,281.8	2.6
Finance--insurance--real estate	657.0	656.0	653.8	650.0	632.5	631.6	3.9
Services	2,323.2	2,316.2	2,303.6	2,292.1	2,208.7	2,205.8	5.2
Government	1,765.5	1,770.6	1,772.5	1,763.1	1,773.4	1,773.5	-0.4
Federal	325.8	323.7	321.1	319.4	323.4	322.9	0.7
State and local	1,439.7	1,446.9	1,451.4	1,443.7	1,450.0	1,450.6	-0.7
Hours and Earnings, Manufacturing							
Average weekly hours	39.7	39.4	39.0	39.8	40.0	39.4	-0.8
Average weekly earnings	$354.12	$347.90	$345.54	$346.66	$320.00	$311.65	10.7
Average hourly earnings	$8.92	$8.83	$8.86	$8.71	$8.00	$7.91	11.5
Index of Leading Indicators	n.a.	146.0	150.0	152.8	151.3	148.0	--
Trade							
Retail sales (millions)	n.a.	$10,106	$9,887	$10,202	$9,280	$9,169	--
New auto registrations (number)	n.a.	71,457	99,849	71,533	78,069	83,601	--
Business							
Business failures (number)	n.a.	n.a.	n.a.	n.a.	152	232	--
Business liabilities (000)	n.a.	n.a.	n.a.	n.a.	$37,970	$48,702	--
New incorporations (number)	n.a.	5,400	5,190	4,320	4,285	599.5	--
Consumer Price Index, all items[d]							
California average (1967=100)	--	288.6	--	281.4	--	254.6	--
San Francisco (1967=100)	--	297.0	--	287.9	--	251.9	--
Los Angeles (1967=100)	281.8	281.3	279.3	274.8	255.5	252.6	10.3
San Diego (1967=100)	321.3	--	313.9	--	279.1	--	15.1
Output							
Petroleum production (000 barrels daily)	n.a.	1,079.3	1,076.3	1,071.6	n.a.	990.7	--
Cement production (000 short tons)	n.a.	700.2	678.1	716.3	648.9	825.4	--
Raw steel production (000 net tons)	n.a.	n.a.	n.a.	n.a.	205.4	209.6	--
Lumber shipments (mil. FBM)	n.a.	63.8	64.1	68.8	54.4	71.8	--
Construction							
Private residential housing units authorized (number)	4,182	6,558	7,300	7,614	11,235	14,997	-62.8
Nonresidential building authorized, valuation (000)	$514,880	$714,225	$766,692	$754,103	$742,764	$972,575	-30.6

[a] Adjusted for seasonal variation.
[b] Interim series of wage and salary workers. This unofficial series is adjusted for the latest tabulations of unemployment insurance coverage and approximates what the official data will be when estimates are updated at year end. March data are estimated by the Department of Finance based upon the official BLS employment series.
[c] Interim series does not give a detailed breakdown of manufacturing for aerospace employment. This value is from the EDD official employment series, it is not seasonally adjusted.
[d] All urban series.

n.a. Not available

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THE ECONOMIC OUTLOOK FOR 1982

This special section in the Indicators summarizes the economic outlook for the State and the Nation during 1982 and 1983. The forecasts were prepared for the 1982-83 Governor's Budget.

THE NATION

The U.S. economy is in a recession. Recovery from the 1980 recession did not extend to all sectors. The current downturn is therefore compounding already existing problems. The outlook for 1982 shows continued declines in the first quarter before a moderate expansionary phase begins.

Policy decisions by the Fed were critical throughout the last year. Although the decision to break inflation by restricting money supply growth now appears to be working, it also led to the highest level of real interest rates on record. Real prime rates of up to 13 percent spelled doom for the already struggling housing and automobile markets.

This does not mean that all news about interest rates was bad, however. The prime interest rate, for example, declined approximately 5 percentage points between September and the end of the year. Further declines are anticipated by Spring.

The relatively tight monetary policy of the Fed, however, is expected to continue throughout 1982. This will lead to moderate increases in key interest rates after mid-year when business and consumer demand for credit picks up, and the U.S. Treasury Department steps up its borrowing to finance the massive Budget deficit. The prime rate is expected to peak about 17 percent during the fourth quarter, before it gradually declines to 13 percent by the end of 1983.

The recession will mean continued weak levels for housing starts and auto sales during the first six months of 1982. A significant improvement during the latter part of the year, which will continued into 1983, is forecast. Recovery will be bolstered by the mid-year Federal income tax cut, which is expected to provide strong support for a resurgence in consumer demand. If current auto industry negotiations to pass on reductions in workers' fringe benefits to the consumer in the form of price reductions are successful, consumer demand for cars could be even greater.

Overall, real gross national product is expected to be down 0.4 percent for 1982. The projected peak-to-trough decline amounts to 2.6 percent between the first quarter of 1981 and the first quarter of 1982. The current recession will therefore be milder than those which occurred in 1957-58 and 1974-75, but more severe than the very modest setback of 1960 and 1969-70. A sustained rate of recovery will boost real GNP by 4.0 percent in 1983.

As mentioned previously, inflation appears to be slowing. Increases in the consumer price index (as currently defined) are expected to be 8.5 percent in 1982 and 7.5 percent in 1983. This lower rate of inflation, combined with the sluggish economy, is expected to lead to slower wage increases. Nonagricultural wage and salary employment will be up 0.3 percent for the year and total wages and salaries will increase less than 7 percent. Overall, personal income is expected to rise just over 9 percent. For 1983, a substantially better outlook is projected, with employment up 2.9 percent and total income rising by 11 percent.

CALIFORNIA

The outlook for California is moderately better than that for the Nation.

Traditionally, California does not experience as sharp a downturn during a recession as does the rest of the country. During the past several months, for instance, total wage and salary employment in the State has been relatively stable in contrast with the pronounced decline registred nationally. Job losses in manufacturing, construction and--most recently--retail trade and State and local government have been largely offset by slow growth in other sectors.

Nonagricultural wage and salary employment in the State is forecast at 10,192,000 for 1982, up 1.1 percent. This would be the slowest growth in the State since 1975. Comparatively moderate year-over-year gains in the service industries, the finance-insurance-real estate group, and trade are expected to offset pronounced weakness in construction, manufacturing, and the transportation-utility sector.

The jobless rate is forecast at 8.1 percent for 1982. Increases in the first half of the year will be reversed during the last six months as economic recovery gets underway. It is significant that the California unemployment rate is expected to average less than the national rate, continuing the trend of the past two years.

The growth in total personal income in the State--10.3 percent for 1982--will be substantially lower than gains recorded for the past six years and comparable to the growth in 1975. Relatively slow growth (8.8%) is anticipated for wages and salaries, for instance, which make up approximately 60 percent of all personal income.

The current decline in interest rates is expected to stimulate the lethargic housing industry by mid-year. Even so, it is estimated that only 125,000 units will be authorized during 1982, up from 109,000 in 1981. At this level housing activity remains far below the 200,000 or more units required each year to meet existing demand, suggesting that housing shortages will be a continuing problem for several years.

Recent reports on retail sales activity suggest that the recession has already had a major impact in the State. No significant improvement is expected until mid-1982. At that time the Federal income tax cut should stimulate sales in the State and contribute strongly to the recovery anticipated for the second half of the year.

The forecast for 1983 calls for moderate growth. Nonagricultural wage and salary employment should be up just over 4 percent for the year--a gain consistent with the traditional bounce-back from recession registered in California. The strongest growth sectors will be in services, trade, construction and the finance-insurance-real estate group.

Housing activity is expected to be significantly stronger in 1983 with an average 175,000 units authorized. In fact, by the end of the year construction of new homes should be at a 220,000 rate. This improvement will reflect gradual improvment in the financial situation of banks and savings and loan associations, and a stablizing of the average mortgage rate between 13 and 14 percent.

Retail trade should show relatively sharp gains due to the continuing effects of the 1982 tax cut and the further 10 percent reduction in taxes scheduled for July 1, 1983.

A significant drop in the unemployment rate is forecast to a level of 7.1 percent for the year. This will be achieved by substantial gains in civilian employment (up 4.3%) and moderate growth in the civilian labor force (+3.3%) as discouraged workers and new entrants move into job seeking status.

Personal income is forecast at $358.1 billion for 1983, up 11.5 percent from 1982. Stronger growth in wages and salaries along with a sharp rebound in proprietors' income will be primarily responsible for the improvment.

There is probably more disagreement on priced trends than any other factor for the coming two years. Forecasts range from continued high increases in the consumer price index to exceptionally low gains. The disparity arises mainly from interpretations of how stabilizing home prices and declining mortgage rates will affect the CPI.

1517B

The excessive weight of these factors in the California CPI has been largely responsible for the abnormally high increases recorded the past two years. A decline in mortgage rates will put downward pressure on the CPI. Mortgage rates are not expected to come down much below 14 percent, however, and this will reduce the extent to which inflation can be reduced.

The trend of housing prices is also critical. The CPI sample is based on FHA prices, which currently have a ceiling of $90,000. During a recovery it is possible that more houses will be sold near the upper end of the FHA ceiling. Such an occurrence will preclude a significant decline in this component of the index.

On balance, the California CPI--which is expected to be up 11.1 percent in 1981--is forecast to rise by 11.3 percent in 1982 and 8.3 percent in 1983. Inflation rates should be down to a 6.5 to 7 percent rate during the last half of 1983.

TABLE 1

SELECTED ECONOMIC DATA 1980-1983

	1980 (Actual)	1981 (Estimated)	1982 Amount	1982 Percent change	1983 Amount	1983 Percent change
United States (Dollar amounts in billions)						
Real gross national product (1972 dollars)	$1,480.7	$1,507.8	$1,502.5	-0.4	$1,561.9	4.0
Personal consumption expenditures	935.1	959.9	977.7	1.8	1,017.7	4.1
Gross private domestic investment	203.6	214.0	207.1	-3.2	233.7	12.8
Net exports	52.0	43.9	34.0	--	25.0	--
Government purchases of goods & services	290.0	290.0	283.7	-2.2	285.5	0.6
Gross national product (current dollars)	$2,626.1	$2,914.9	$3,164.8	8.6	$3,557.3	12.4
GNP deflator (1972=100)	177.4	193.3	210.6	8.9	227.8	8.1
Personal income	$2,160.2	$2,406.0	$2,624.0	9.1	$2,913.7	11.0
Corporate profits, pre-tax	245.5	225.3	229.6	1.9	282.3	23.0
Wage and salary employment (thousands)	90,572.8	91,592.0	91,854.8	0.3	94,561.7	2.9
Housing starts (thousands)	1,303.5	1,124.0	1,238.7	10.2	1,536.4	24.0
New car sales (millions)	9.0	8.7	8.5	-1.6	9.4	9.6
Consumer price index (1967=100)	246.8	272.8	296.0	8.5	318.2	7.5
California Data						
Wage and salary employment (thousands)	9,884.2	10,078	10,192	1.1	10,605	4.1
Mining	43.4	48	49	2.7	51	2.5
Construction	446.7	430	411	-4.4	438	6.7
Manufacturing	2,007.4	2,019	2,016	-0.2	2,088	3.6
Transportation-utilities	546.6	558	556	-0.4	570	2.6
Trade	2,271.2	2,322	2,351	1.3	2,469	5.0
Finance-insurance-real estate	623.4	650	665	2.2	695	4.5
Services	2,178.6	2,283	2,374	4.0	2,521	6.2
Government	1,766.9	1,767	1,771	0.2	1,774	0.2
Civilian labor force (thousands)	11,203	11,405	11,607	1.8	11,986	3.3
Employment	10,443	10,557	10,668	1.1	11,131	4.3
Unemployment	760	848	938	10.6	854	-8.9
Rate	6.8	7.4	8.1	--	7.1	--
Personal income (millions)	$258,167	$291,066	$321,075	10.3	$358,071	11.5
Wages and salaries	$161,252	$179,058	$194,888	8.8	$216,647	11.2
Corporate profits pre-tax (millions)	$26,550	$29,700	$32,900	10.8	$39,100	18.8
New auto registrations (thousands)	960.7	930.0	975.0	4.8	1,095.0	12.3
Housing units authorized (thousands)	144	109	125	14.4	175	40.0
Consumer price index (1967=100)	249.4	277.0	308.2	11.3	333.7	8.3

NOTE: Percentage changes calculated on unrounded data.

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Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are production worker man-hours, insured unemployment, manufacturing employment, and taxable sales. These series are discussed in the technical note below.

Data for most series are plotted monthly. Quarterly series are identified following the series title on the chart.

The Arabic numeral in the right hand corner of each graph indicates the latest month for which the data are plotted (e.g.: 7 = July).

Roman numerals indicate the latest quarter for which data are plotted (III = third quarter).

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The series on average weekly hours of production workers in manufacturing and production worker man-hours are adjusted by the Bureau of Labor Statistics method. Other series have been adjusted by the Bureau of the Census (Shiskin) method. Persons interested in a detailed description of these methods are referred to the U.S. Department of Labor, Bureau of Labor Statistics, the BLS Seasonal Factor Method (1964); and the U.S. Department of Commerce, Bureau of the Census, Technical Paper No. 15, The X-11 Variant of the Census Method II, Seasonal Adjustment Program (November 1965.)

Under the Census Bureau seasonal method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Production Worker Man-Hours

This series is a substitute for the man-hours in nonagricultural establishments series used in the Census Bureau's publication, Business Cycle Developments. It is the cross product of average weekly hours of production workers in manufacturing and manufacturing employment. Workweek data are a leading indicator. Manufacturing employment appears to be a coincident indicator, although at times it seems to lead economic downturns. Because of this, the man-hours series has been classified in the present publication as a leading indicator.

Insured Unemployment

The series on total insured unemployment is being used rather than the insured unemployment rate included in the Census Bureau's indicator list. The insured rate is available only with a lag of nine months, which precludes its usefulness as a current indicator.

Manufacturing Employment

This series is also an addition to the Census Bureau indicator list. It was used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

Taxable Sales

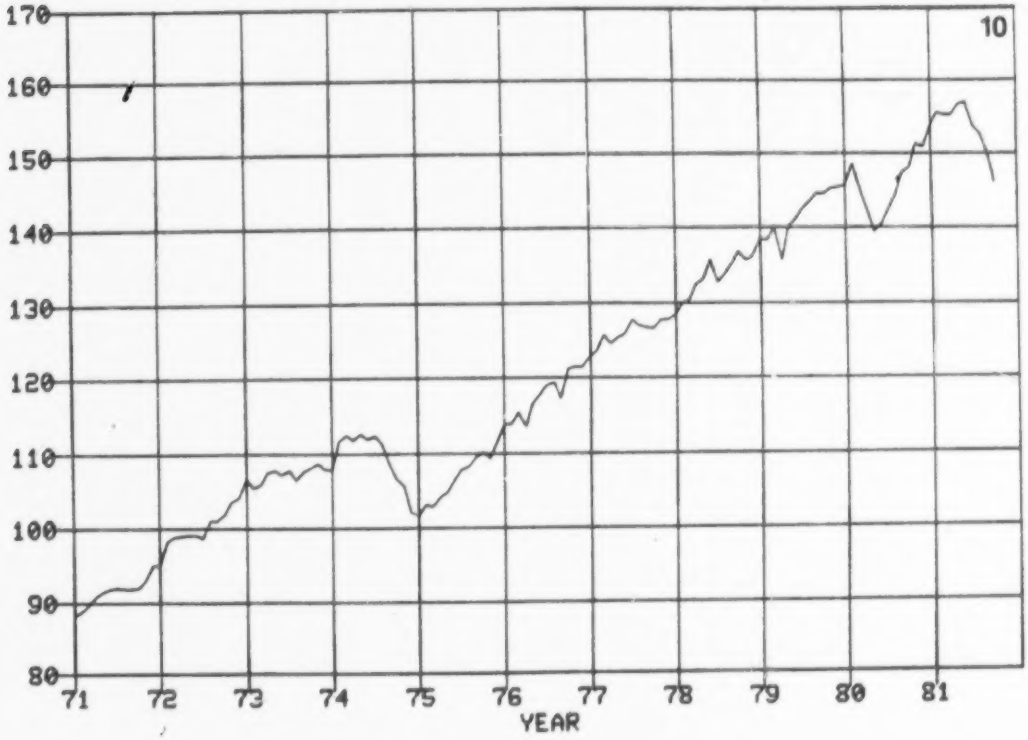
Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is therefore a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but will be of interest to persons looking at overall economic developments.

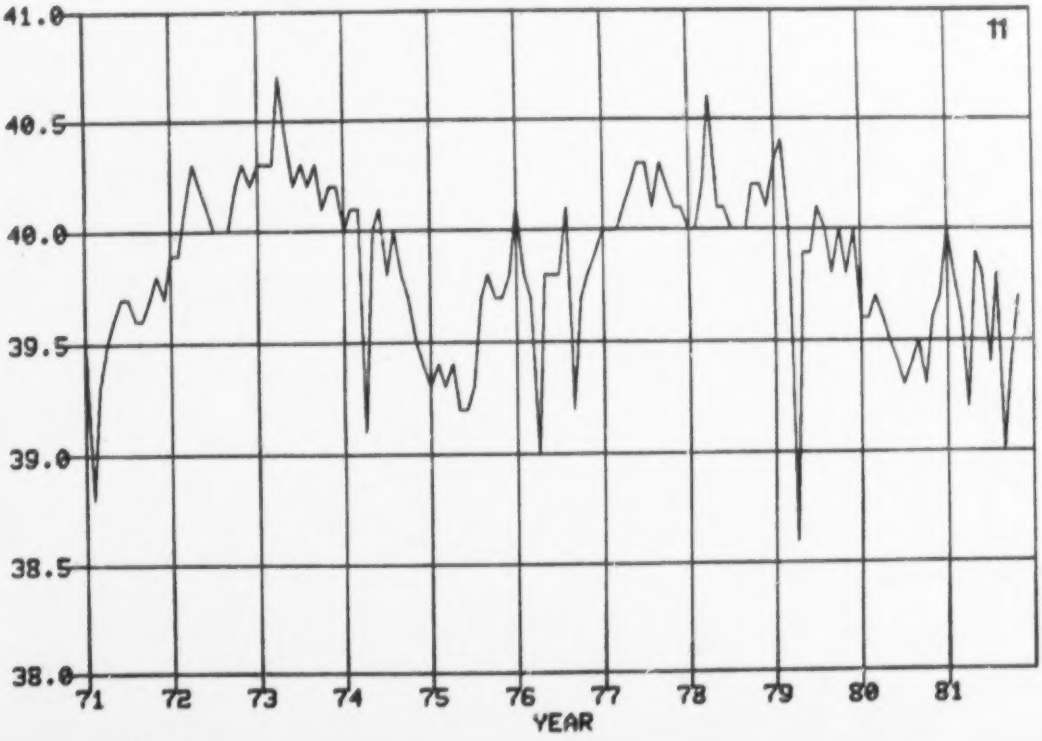
Standard Abbreviations

n.a.	Not available	p	Preliminary
e	Estimate	r	Revised

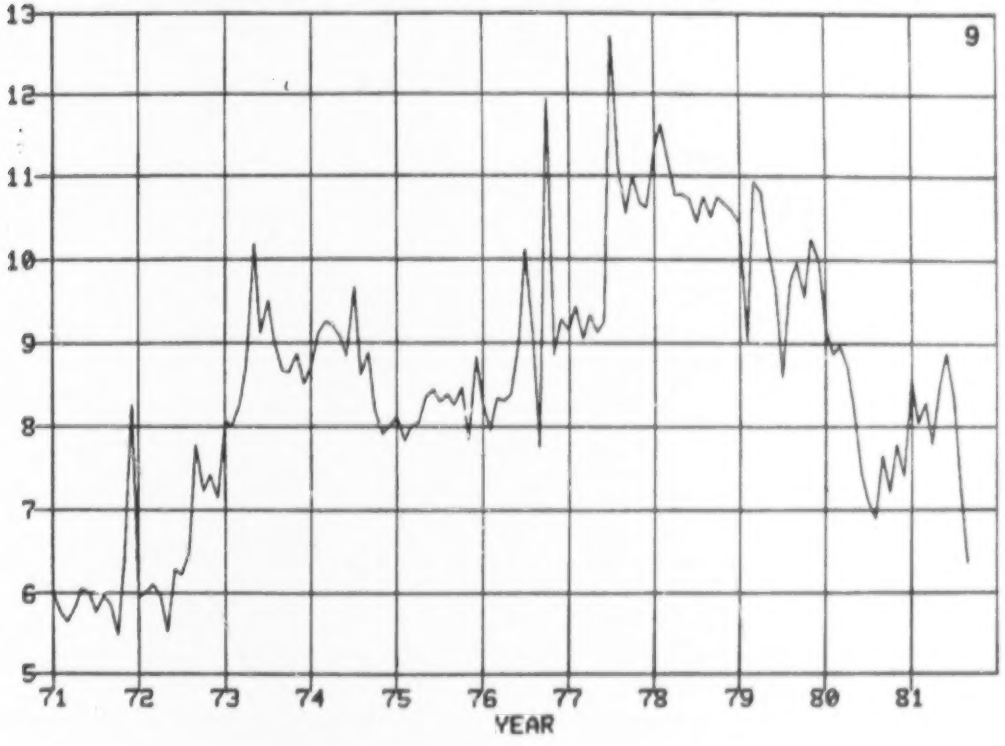
INDEX OF LEADING INDICATORS (1972=100)



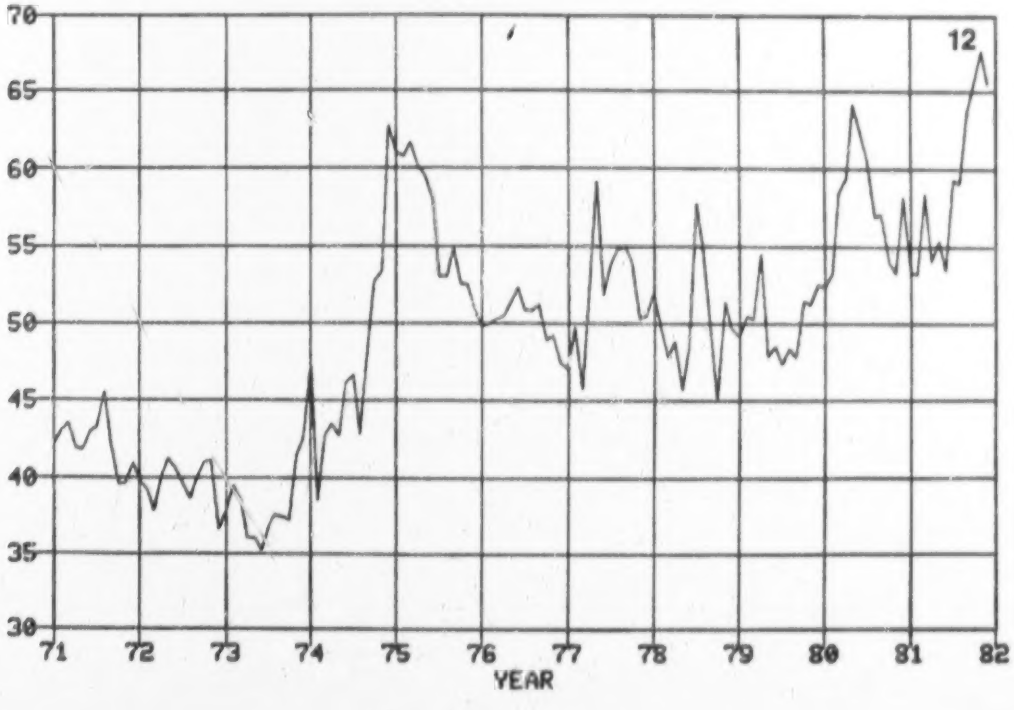
AVERAGE WEEKLY HOURS, MANUFACTURING



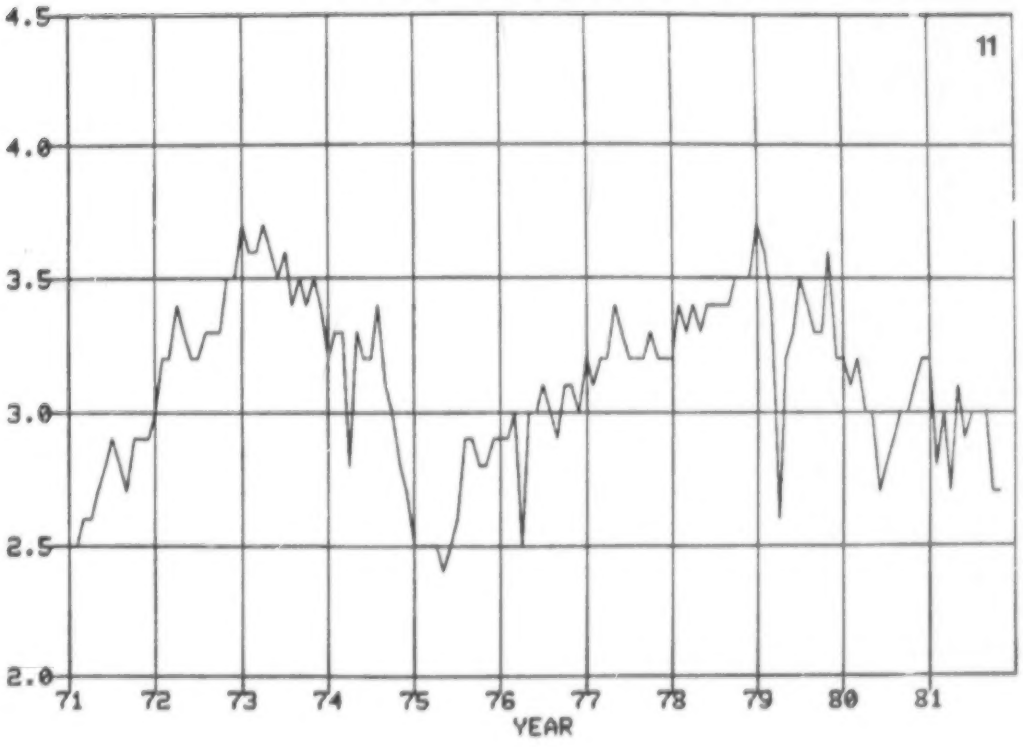
NONAGRICULTURAL PLACEMENTS, WEEKLY AVERAGE (IN THOUSANDS)



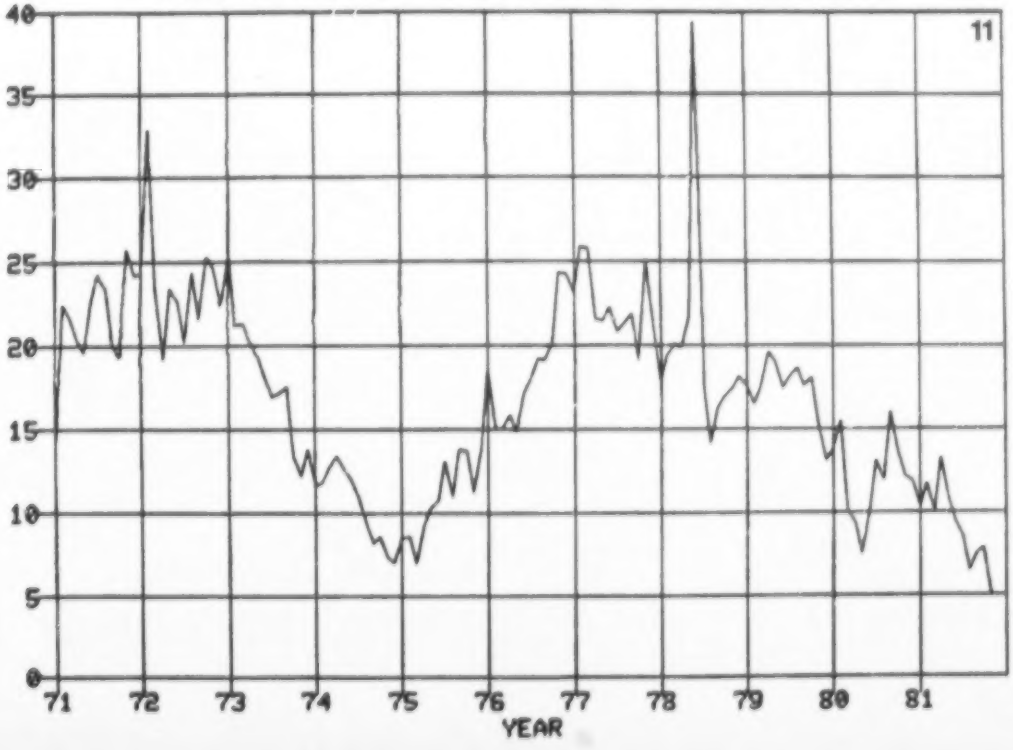
INITIAL CLAIMS FOR UNEMPLOYMENT INSURANCE,
WEEKLY AVERAGE (IN THOUSANDS)



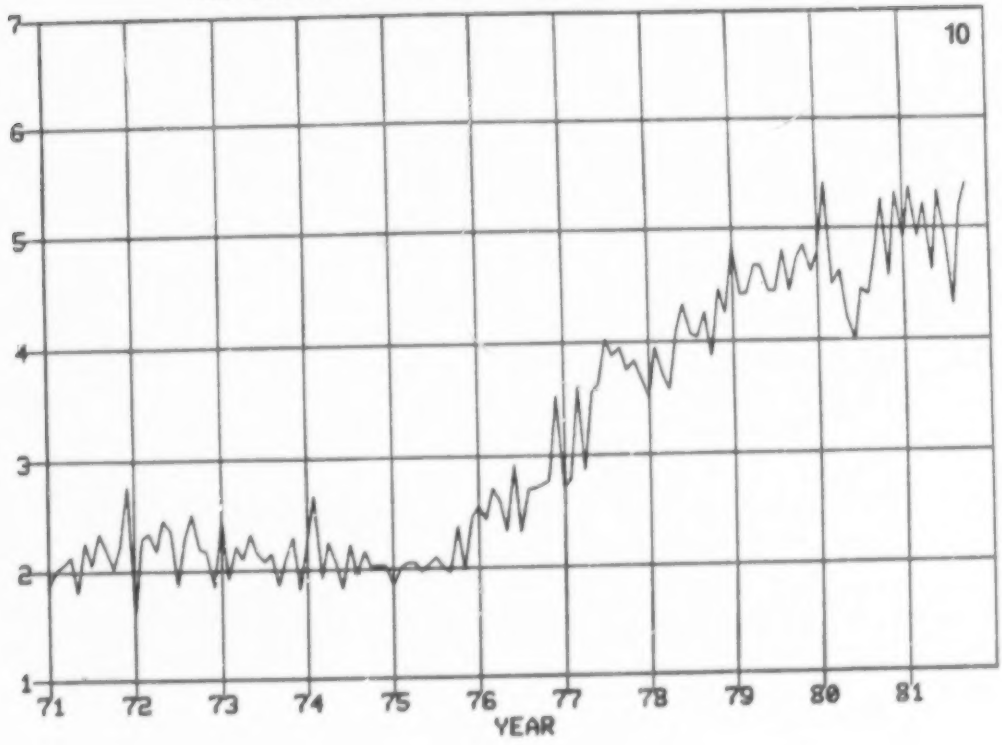
OVERTIME HOURS, MANUFACTURING



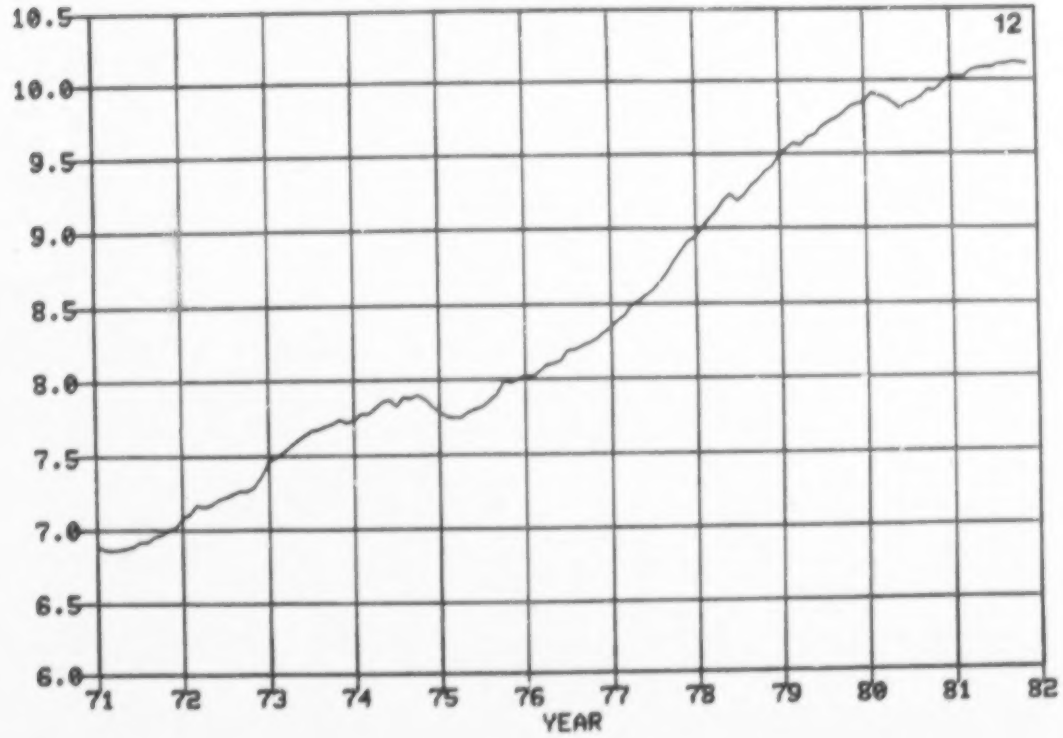
PRIVATE HOUSING UNITS AUTHORIZED (IN THOUSANDS)



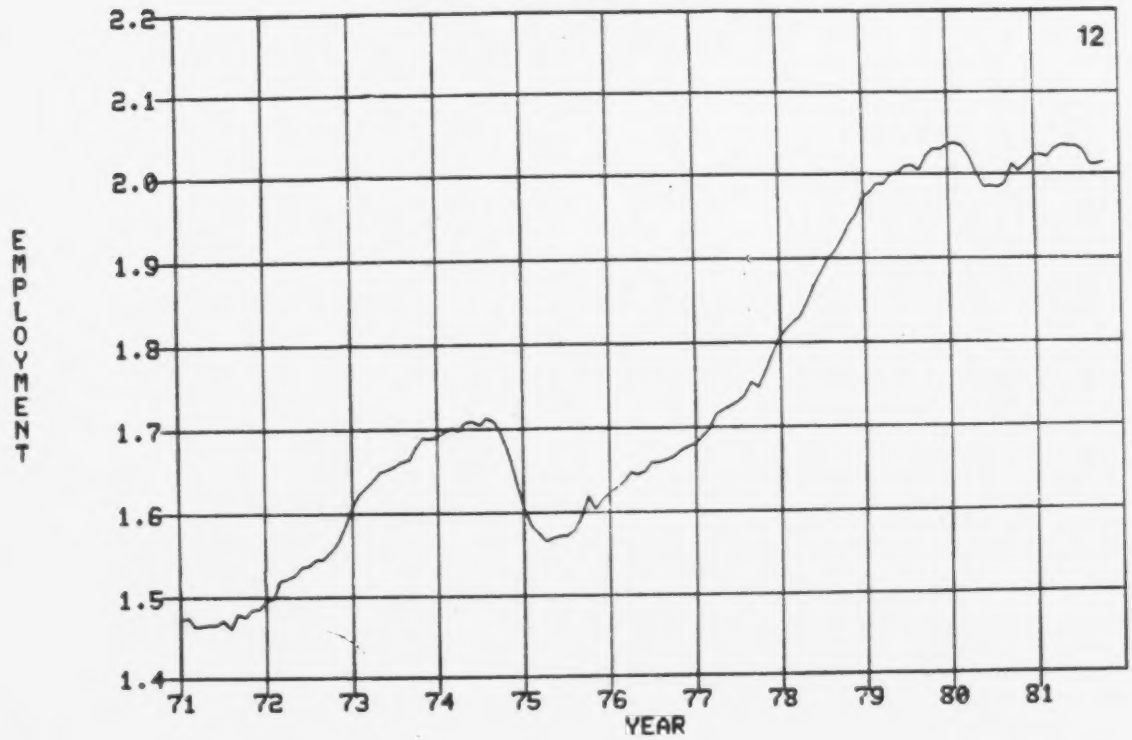
NEW BUSINESS INCORPORATIONS (IN THOUSANDS)



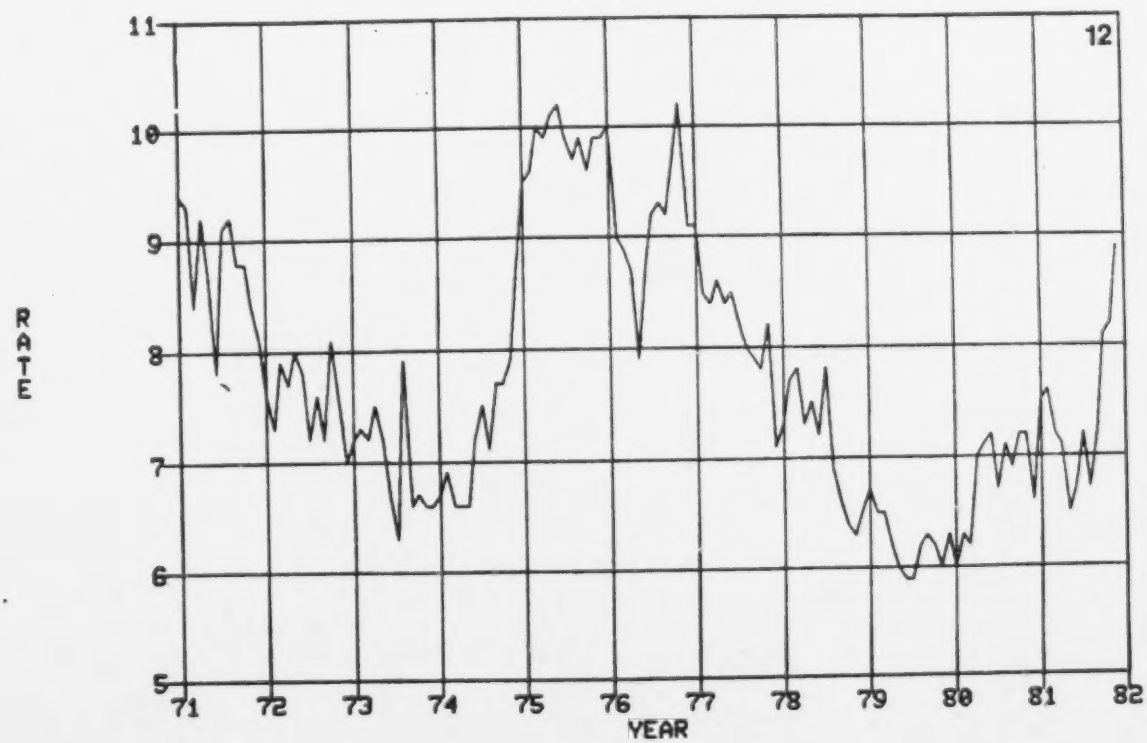
NONAGRICULTURAL EMPLOYMENT (IN MILLIONS)



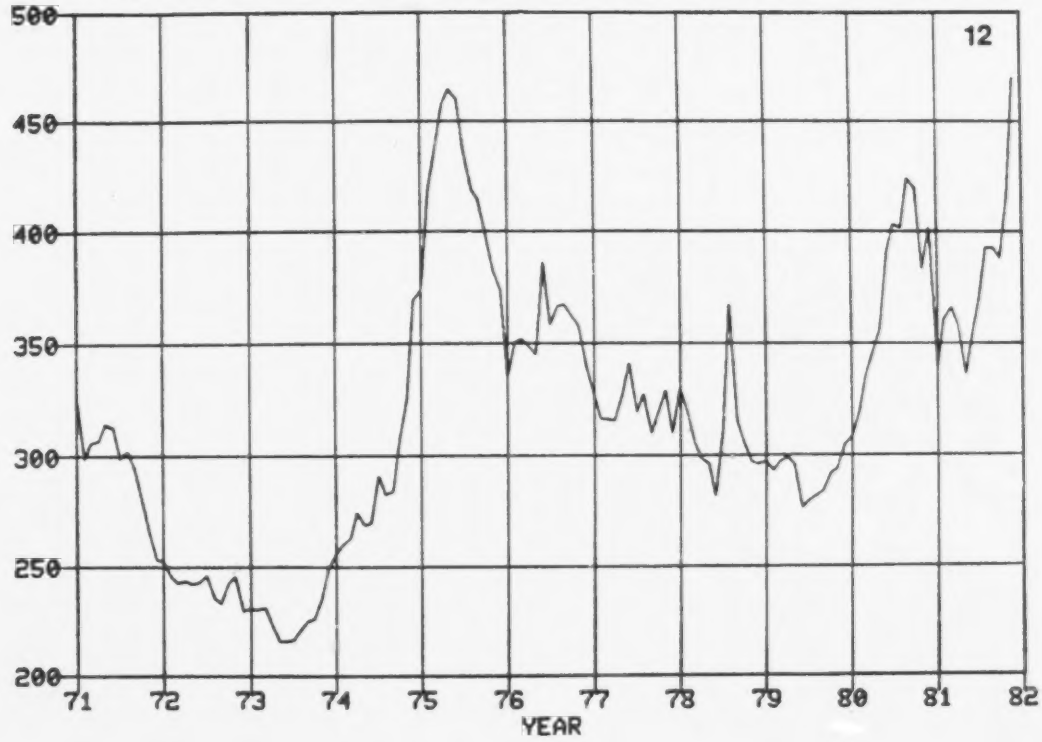
MANUFACTURING EMPLOYMENT (IN MILLIONS)



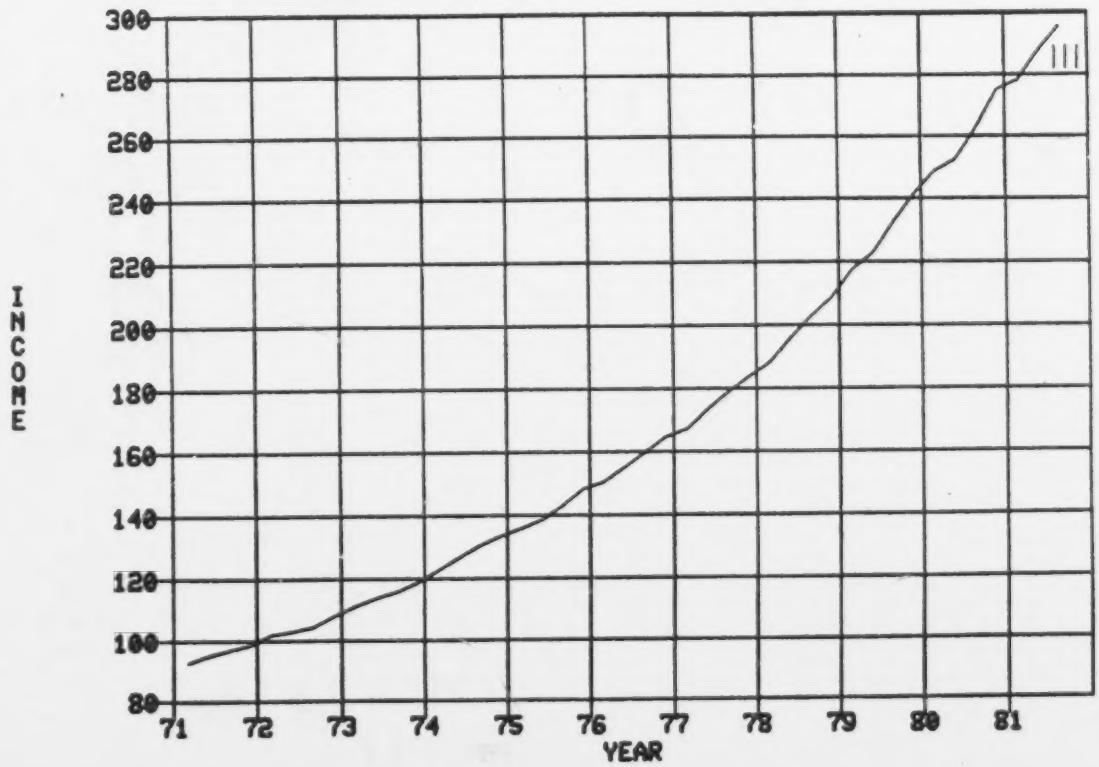
UNEMPLOYMENT RATE



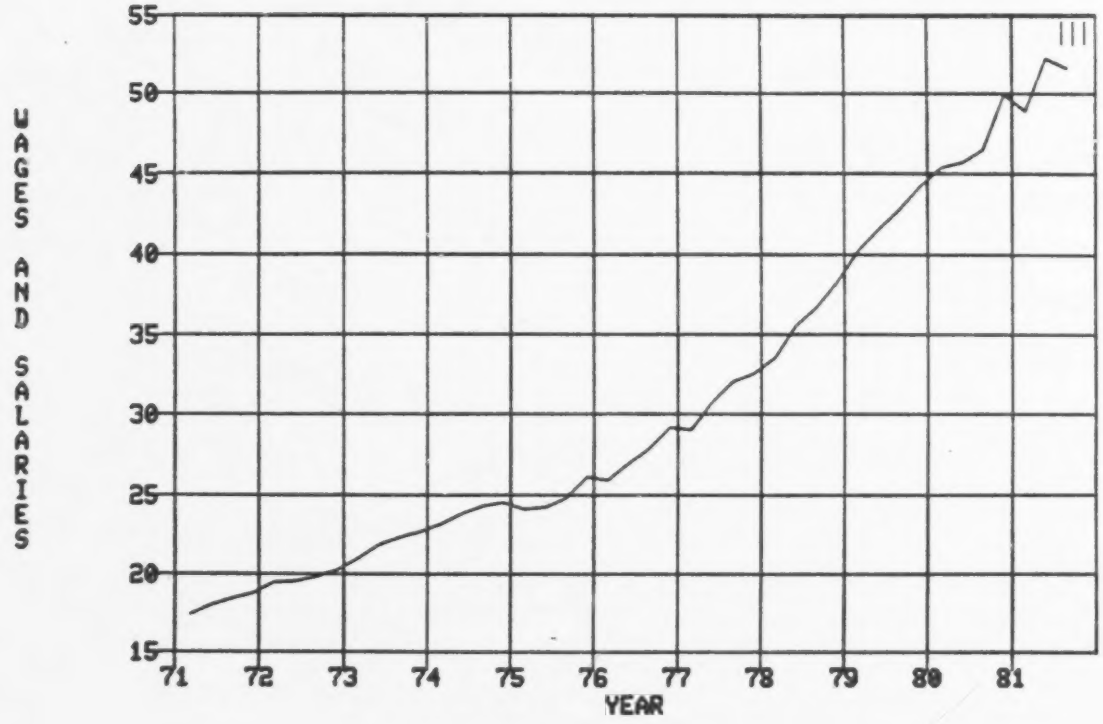
INSURED UNEMPLOYMENT, AVERAGE WEEKS CLAIMED (IN THOUSANDS)



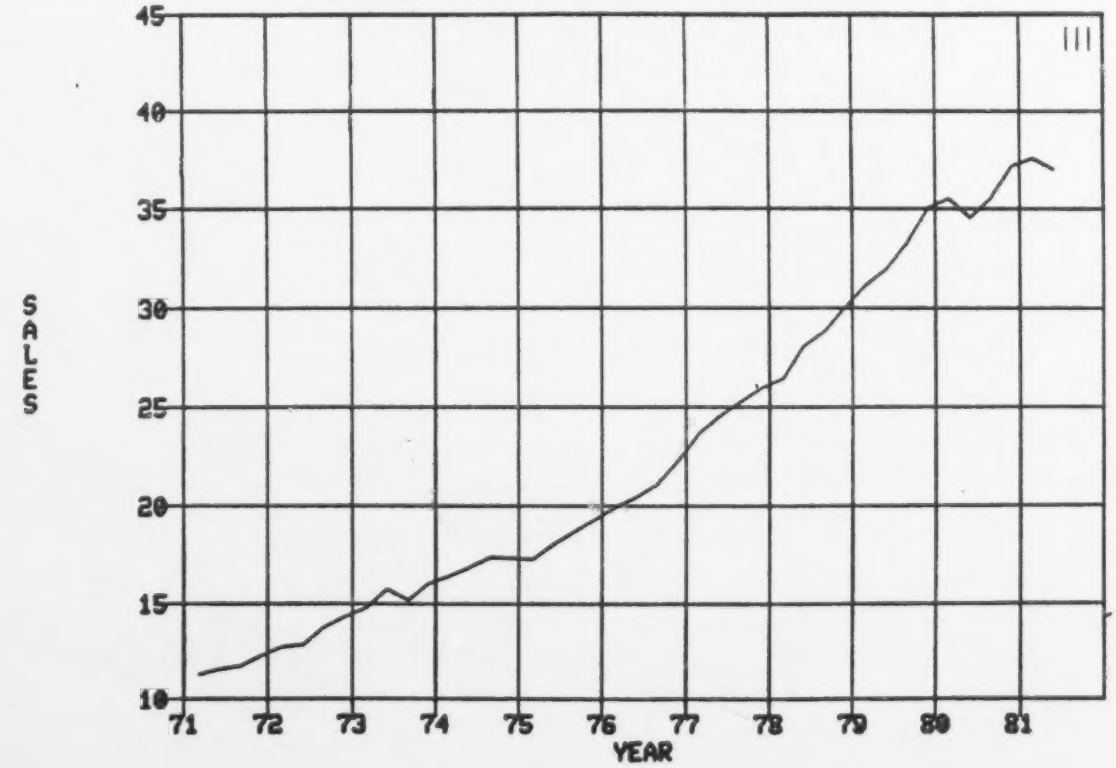
PERSONAL INCOME, QUARTERLY (IN BILLIONS OF DOLLARS)

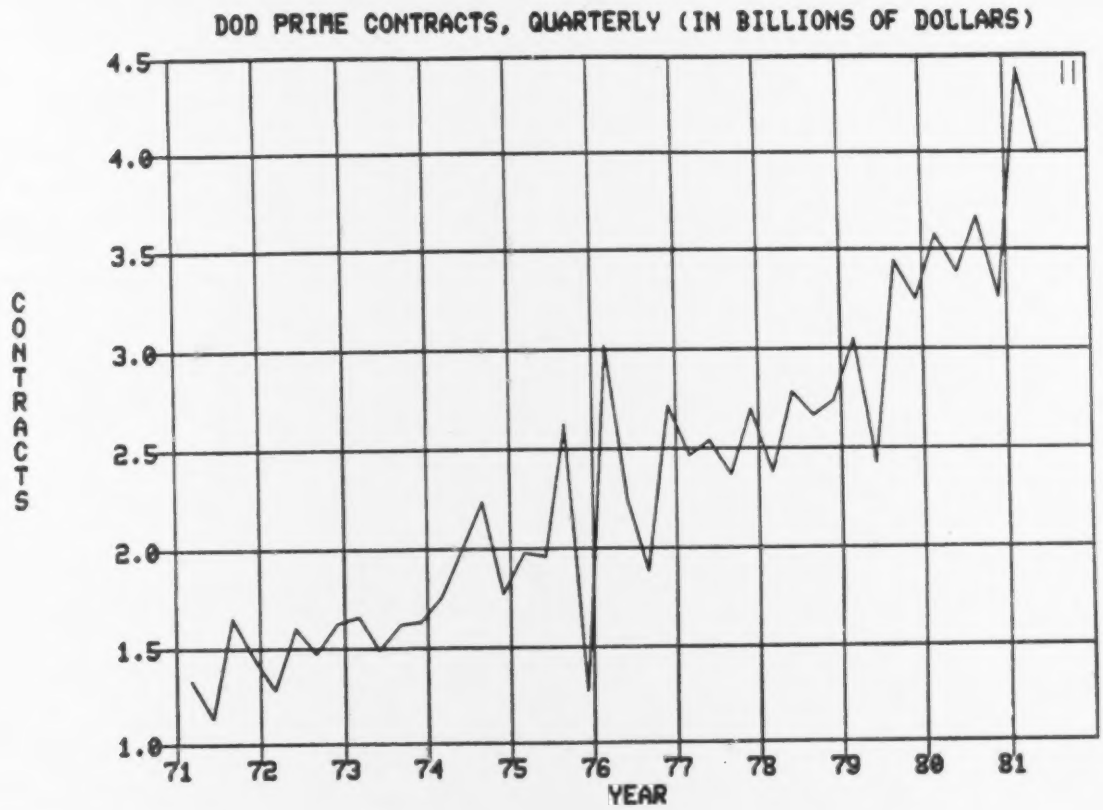


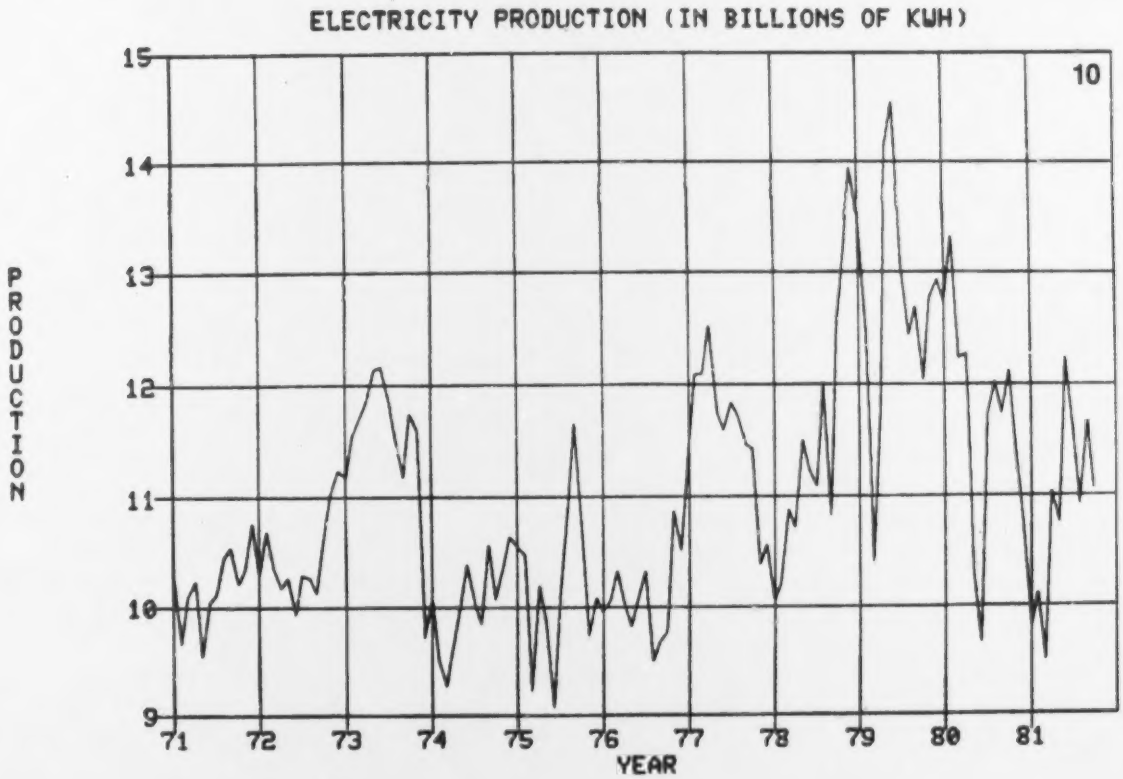
WAGES AND SALARIES FROM MINING, MANUFACTURING, AND CONSTRUCTION, QUARTERLY (IN BILLIONS OF DOLLARS)



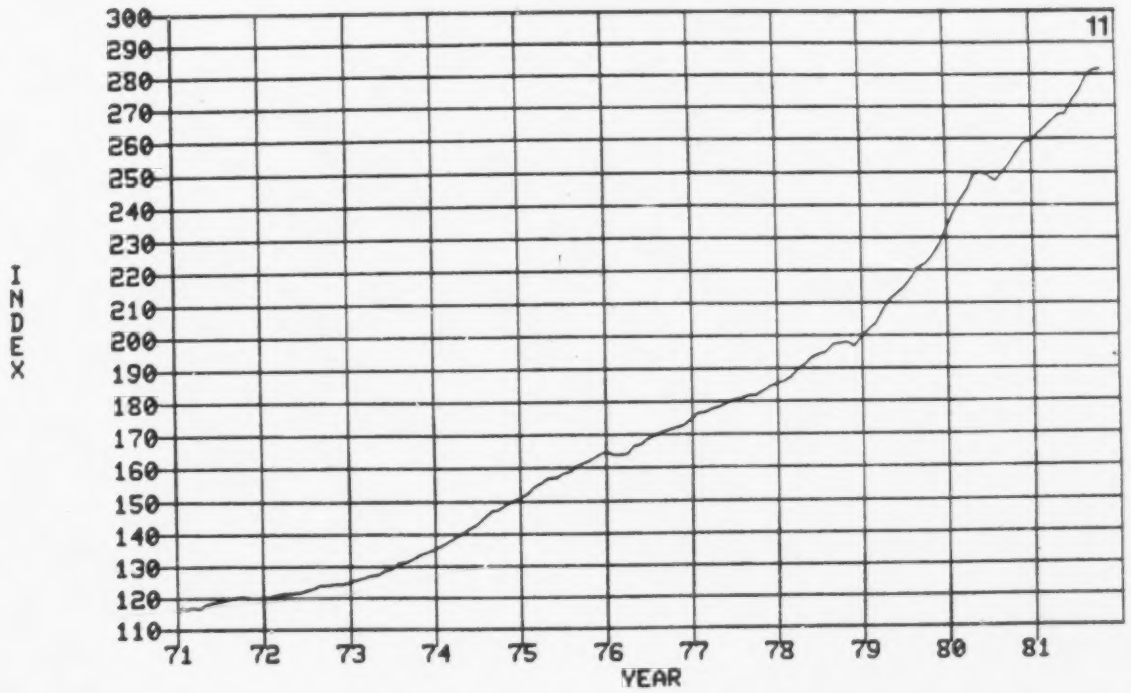
TAXABLE SALES, QUARTERLY (IN BILLIONS OF DOLLARS)



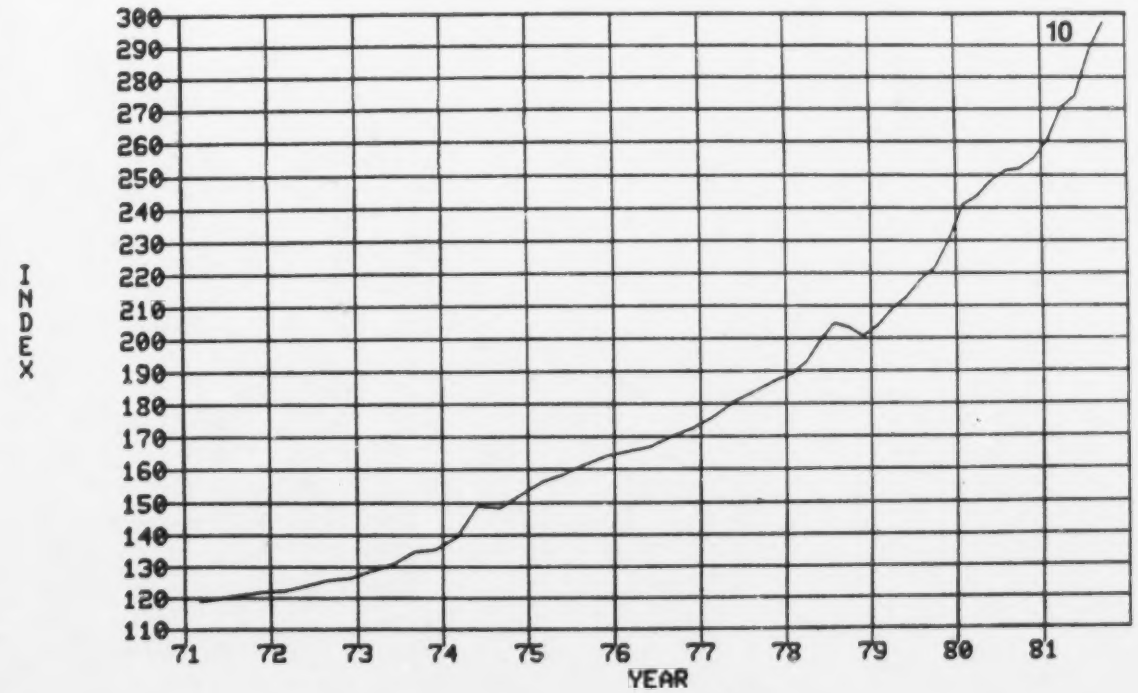

DOD PRIME CONTRACTS, QUARTERLY (IN BILLIONS OF DOLLARS)
CONTRACTS
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
71
72
73
74
75
76
77
78
79
80
81
YEAR


ELECTRICITY PRODUCTION (IN BILLIONS OF KWH)
PRODUCTION
15
14
13
12
11
10
9
71
72
73
74
75
76
77
78
79
80
81
YEAR

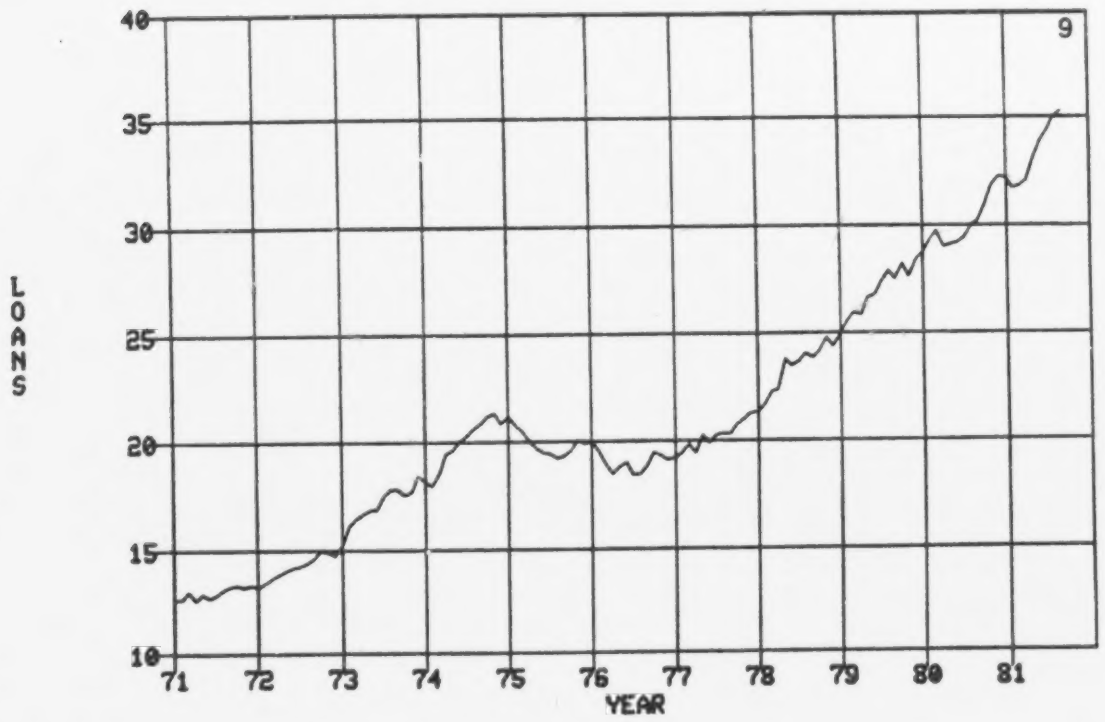
CONSUMER PRICE INDEX, LOS ANGELES
ALL URBAN CONSUMERS (1967=100)



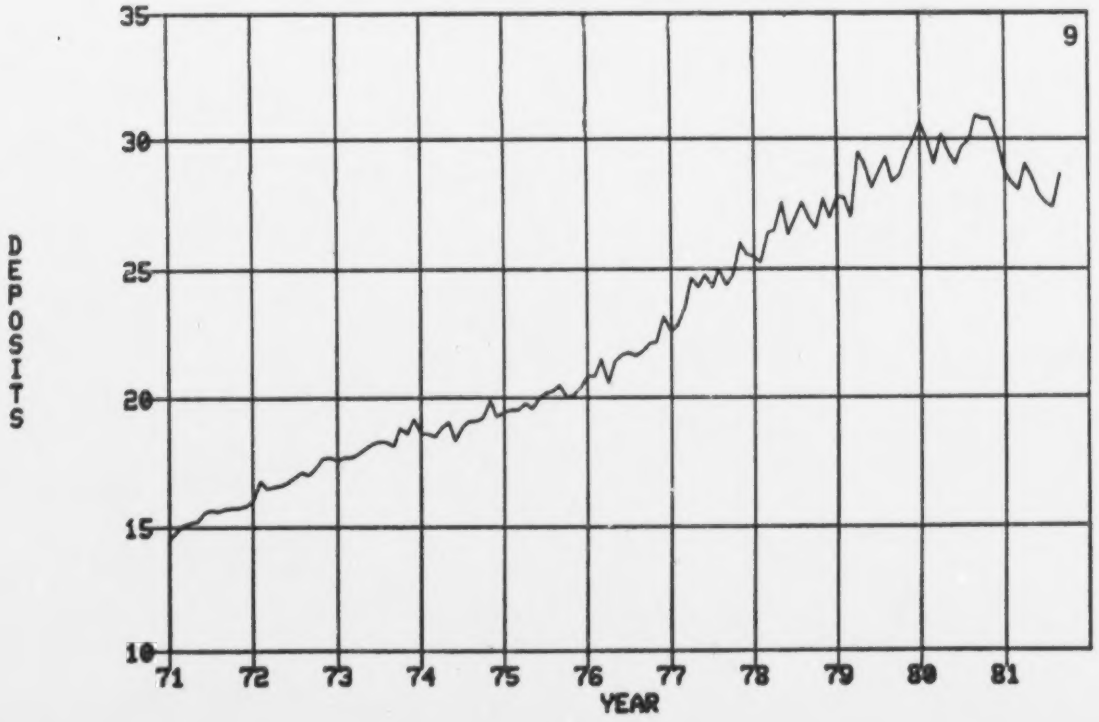
CONSUMER PRICE INDEX, SAN FRANCISCO
ALL URBAN CONSUMERS (1967=100)



CALIFORNIA COMMERCIAL AND INDUSTRIAL LOANS
(IN BILLIONS OF DOLLARS)



CALIFORNIA DEMAND DEPOSITS ADJUSTED
(IN BILLIONS OF DOLLARS)



BASIC DATA FOR CALIFORNIA ECONOMIC SERIES

(Seasonally Adjusted Except as Noted)

Year and Month	Leading Indicators: Index of Leading Indicators (1972=100)	Average Weekly Hours, Manufacturing	Nonagricultural Placements Weekly Avg. (thousands)	Initial Claims for Unemployment Insurance Weekly Avg. (thousands)	Overtime Hours Manufacturing	Private Housing Units Authorized	New Business Incorporations
1978							
January	128.3	40.0	11.3	52.0	3.2	17,865	3,510
February	129.8	40.0	11.6	49.8	3.4	19,428	3,950
March	130.4	40.2	11.2	47.8	3.3	20,063	3,710
April	132.5	40.6	10.8	48.9	3.4	19,889	3,578
May	133.1	40.1	10.8	45.7	3.3	21,652	4,113
June	135.7	40.1	10.7	48.5	3.4	39,361	4,326
July	132.7	40.0	10.4	57.7	3.4	17,819	4,063
August	133.8	40.0	10.8	54.7	3.4	14,127	4,037
September	135.2	40.0	10.5	49.4	3.4	16,317	4,258
October	136.8	40.2	10.7	45.1	3.5	17,012	3,871
November	135.6	40.2	10.7	51.4	3.5	17,402	4,466
December	136.2	40.1	10.6	49.7	3.5	18,081	4,249
1979							
January	138.5	40.3	10.4	49.1	3.7	17,607	4,838
February	138.4	40.4	9.0	50.5	3.6	16,492	4,416
March	140.0	40.0	10.9	50.3	3.4	17,517	4,425
April	135.6	38.6	10.8	54.5	2.6	19,611	4,684
May	140.1	39.9	10.2	47.9	3.2	19,011	4,671
June	141.2	39.9	9.6	48.5	3.3	17,440	4,446
July	142.5	40.1	8.6	47.4	3.5	18,113	4,445
August	143.5	40.0	9.7	47.4	3.4	18,606	4,810
September	144.6	39.8	10.0	48.4	3.3	17,596	4,450
October	144.6	40.0	9.5	51.5	3.3	18,027	4,736
November	145.3	39.8	10.2	51.2	3.6	15,262	4,857
December	145.4	40.0	10.0	52.5	3.2	13,130	4,619
1980							
January	145.8	39.6	9.2	56.1	3.2	13,773	4,796
February	148.5	39.6	9.0	54.7	3.1	15,440	5,411
March	145.3	39.7	9.0	58.8	3.2	10,136	4,505
April	142.2	39.6	8.7	59.2	3.0	9,354	4,627
May	139.5	39.5	8.2	61.5	3.0	7,540	4,200
June	140.5	39.4	7.4	61.7	2.7	10,084	3,998
July	142.4	39.3	7.1	60.5	2.8	13,069	4,453
August	144.4	39.4	6.9	57.8	2.9	11,974	4,470
September	147.4	39.5	7.6	58.1	3.0	15,942	4,755
October	148.0	39.3	7.2	55.1	3.0	13,581	5,269
November	151.3	39.6	7.8	54.8	3.1	12,224	4,573
December	151.0	39.7	7.4	58.0	3.2	11,858	5,319
1981							
January	153.8	40.0	8.5	52.3	3.2	10,336	4,903
February	155.6	39.8	8.0	53.2	2.8	11,701	5,363
March	155.2	39.5	8.3	58.4	3.0	10,024	4,926
April	155.2	39.6	7.8	54.0	2.7	13,264	5,226
May	156.7	39.9	8.4	55.4	3.1	10,852	4,618
June	157.0	39.8	8.9	53.4	2.9	9,459	5,336
July	153.6	39.4	8.3	59.3	3.0	8,584	4,871
August	152.8	39.8	7.3	59.1	3.0	6,472	4,320
September	150.0r/	39.4	6.3	63.7	3.0	7,557	5,190
October	146.0	39.4	6.3	65.5	2.7	5,892	4,745
November		39.8		67.8	2.7	5,439	

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	Coincident Indicators						Other Indicators
	Nonagricultural Employment (thousands)	Wages and Salaries in Mining, Manufacturing and Construction (mil dol.)a/	Unemployment Rate	Insured Unemployment Average Weeks Claimed (thousands)	Personal Income (mil dol.)a/	Taxable Sales (mil dol.)b/	Manufacturing Employment (thousands)
1978							
January	8,941.0		7.3	329			1,806.4
February	9,003.0	33,533	7.7	321	188,312	26,320	1,815.3
March	9,069.9		7.8	306			1,824.3
April	9,108.7		7.3	299			1,830.7
May	9,181.0	35,566	7.5	296	195,570	28,170	1,849.2
June	9,230.1		7.2	281			1,867.4
July	9,186.8		7.8	310			1,883.8
August	9,222.9	36,650	6.9	367	202,806	28,904	1,898.5
September	9,285.5		6.6	315			1,908.4
October	9,326.5		6.4	306			1,921.5
November	9,379.2	38,189	6.3	297	208,438	29,866	1,940.3
December	9,411.4		6.5	296			1,951.1
1979							
January	9,494.4		6.7	297			1,970.7
February	9,531.8	40,180	6.5	293	217,444	31,041	1,979.2
March	9,573.8		6.5	297			1,988.1
April	9,557.5		6.2	299			1,989.9
May	9,607.2	41,533	6.0	295	222,892	32,140	1,998.5
June	9,626.4		5.9	276			2,001.3
July	9,680.5		5.9	280			2,009.5
August	9,714.8	42,772	6.2	282	232,363	33,410	2,010.1
September	9,736.8		6.3	284			2,004.2
October	9,782.0		6.2	291			2,021.3
November	9,823.4	44,256	6.0	294	241,225	34,893	2,029.2
December	9,841.4		6.3	305			2,031.4
1980							
January	9,851.7		6.0	308			2,034.5
February	9,905.8	45,332	6.3	319	248,371	35,375	2,037.6
March	9,900.3		6.2	335			2,033.9
April	9,881.4		7.0	346			2,021.0
May	9,850.0	45,693	7.1	356	252,420	34,704	2,001.6
June	9,813.2		7.2	391			1,984.1
July	9,842.6		6.7	403			1,985.1
August	9,853.8	46,470	7.1	402	262,283	35,661	1,984.2
September	9,890.3		6.9	423			1,988.9
October	9,938.8		7.2	420			2,008.6
November	9,932.1	49,946	7.2	384	275,130	36,942	2,003.7
December	9,977.0		6.6	402			2,011.8
1981							
January	10,030.5r/		7.5	338			2,019.2
February	10,026.8r/	48,927	7.6	361	278,110	37,618	2,021.2
March	10,023.6r/		7.2	366			2,023.8
April	10,068.5r/		7.1	359			2,021.1
May	10,081.2r/	52,251	6.5	336	287,594	36,996	2,017.1
June	10,091.6r/		6.7	353			2,005.3
July	10,090.9r/		7.2	372			2,005.5
August	10,110.2	51,634	6.7	393	295,779		2,000.1
September	10,109.6		7.2	393			1,981.8
October	10,123.2		8.1	388			
November	10,119.4		8.2	416			

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	Other Indicators									
		Consumer Price Index (1967=100)c/								
		San Francisco			Los Angeles					
		Wage Earner and Clerical Worker			Wage Earner and Clerical Worker					
	DOD Prime Contracts (mil dol.)b/	Old Series	New Series	All Urban	Old Series	New Series	All Urban	California Commercial and Industrial Loans (mil dol.)	California Demand Deposits Adjusted (mil dol.)	Electricity Production (mil KWH)
1978										
January		--	--	--	185.4	185.6	185.5	21,329	25,478	10,056
February	2,381	--	189.5	189.2	185.8	186.8	186.5	21,654	25,240	10,207
March		191.0	--	--	186.9	187.1	187.4	22,265	26,367	10,873
April		--	192.4	192.8	188.9	188.9	189.6	22,395	26,480	10,717
May	2,785	--	--	--	190.9	191.2	191.5	23,779	27,587	11,489
June		196.8	198.7	199.3	193.1	193.0	193.4	23,457	26,345	11,239
July			--	--		194.3	194.3	23,727	27,057	11,079
August	2,662		204.0	204.7		194.7	194.9	24,061	27,550	11,998
September			--	--		196.9	197.3	23,853	26,931	10,825
October			202.6	203.2		197.2	197.8	24,178	26,545	12,545
November	2,737		--	--		197.5	198.1	24,790	27,695	13,202
December			200.4	200.8		197.0	197.1	24,390	26,956	13,933
1979										
January			--	--		199.7	199.6	24,955	27,782	13,498
February	3,053		204.2	203.9		202.3	201.9	25,563	27,761	12,435
March			--	--		204.4	203.8	25,917	27,011	10,402
April			209.3	208.8		208.8	207.8	25,836	29,474	11,829
May	2,424		--	--		212.4	211.0	26,618	29,038	14,132
June			213.7	212.5		214.5	212.9	26,786	28,141	14,539
July			--	--		216.8	214.7	27,380	28,715	13,082
August	3,441		218.6	218.3		219.6	217.5	27,864	29,326	12,442
September			--	--		223.0	220.7	27,517	28,360	12,687
October			220.8	221.5		224.0	221.8	28,191	28,613	12,039
November	3,251		--	--		225.8	224.2	27,628	29,341	12,768
December			229.0	230.2		229.9	228.0	28,396	29,951	12,938
1980										
January			--	--		235.0	232.6	28,763	30,657	12,731
February	3,575		240.0	240.7		240.0	237.6	29,315	29,968	13,310
March			--	--		243.9	241.3	29,691	29,037	12,229
April			242.8	243.5		247.8	244.6	28,966	30,185	12,268
May	3,388		--	--		252.6	249.1	29,091	29,577	10,291
June			247.7	248.0		253.4	250.1	29,203	29,049	9,675
July			--	--		251.5	248.7	29,414	29,714	11,715
August	3,666		251.4	251.0		250.1	247.3	29,979	29,981	12,019
September			--	--		251.6	249.6	30,175	30,939	11,738
October			252.6	251.9		254.9	252.6	30,961	30,809	12,115
November	3,259		--	--		258.4	255.5	31,832	30,802	11,364
December			255.7	254.9		262.2	258.7	32,213	30,041	10,718
1981										
January			--	--		262.7	259.4	32,168	28,806	9,786
February	4,435		261.6	260.5		265.0	261.6	31,730	28,371	10,114
March			--	--		266.5	263.3	31,822	28,066	9,503
April			270.9	270.3		269.1	265.5	32,050	29,062	11,022
May	4,001		--	--		270.7	267.3	33,120	28,542	10,756
June			274.3	274.0		271.7	267.9	33,882	27,891	12,234
July			--	--		276.3	272.2	34,365	27,533	11,556
August			287.2	287.9		278.6	274.8	35,035	27,385	10,918
September			--	--		282.9	279.3	35,295	28,657	11,662
October			295.6	297.0		284.9	281.3			11,055
November			--	--		285.5	281.8			

a/Quarterly data, annual basis.
b/Quarterly data.
c/Not adjusted for seasonal variation.
r/Revised

CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national events of general interest have also been included.

1961

February 17-23	National airline strike.
March 9-13	California dock strike by Teamsters.
May 5	Minimum wage legisation signed: $1.15 for 2 years, $1.25 thereafter.
June 16-July 4	National maritime strike. Strike resumed September 28-October 12 against owners of 1/3 West Coast merchant fleet.
August 11	Duty exemption for U.S. travelers returning from abroad cut from $500 to $100.
August 26	American Motors Corporation--UAW profit-sharing pact announced.
September 6-24	UAW-GM strike.
October 3-15	UAW-Ford strike.

1962

January 1	Federal Reserve Board and Federal Deposit Insurance Corporation authorize commercial banks to raise interest rates to 3-1/2 percent on all savings and time deposits of six months or longer, and to 4 percent on deposits of one year or more.
March 16-April 11	West Coast maritime strike.
May 1-June 26	Northern California construction strike. Southern California strike, June 18-27. San Diego strike, June 21-July 10.
May 28	"Blue Monday." Dow Jones Industrial Average dow 34.95 points, sharpest drop since October 28, 1929. Week of May 21-25: average down 38.82, largest one-week decline on record.
July 10	Stock margin requirements cut from 70 percent to 50 percent.
July 11	Revision of depreciation schedules announced by Treasury.

1963

October 18	Commercial bank reserve requirements against time deposits reduced from 5 percent to 4 percent.
June 5	Silver backing for Treasury silver certificates removed to ease pressure on silver prices. Sale of silver from Treasury stockpile started September 12.
July 17	Discount rate raised from 3 percent to 3-1/2 percent.
November 5	Stock margin requirements raised from 50 percent to 70 percent.
November 22	President Kennedy assassinated.

1964

February 26	Federal income tax cut measure signed into law. Reflected in withholding rates effective March 5. Individual tax rates cut from 20 percent to 91 percent range to 14 percent to 70 percent range. Corporation reduction to 48 percent from 52 percent.
September 25-November 8	UAW strike against GM.
November 23	Discount rate increased from 3-1/2 percent to 4 percent.
December 22-24	Northern Calfornia floods.

1965

March 1-23	Strike by steel workers at American and Continental can companies.
June 16-August 7	Northern California construction strike.
June 17-July 19	Southern California construction strike.
August 11-17	Los Angeles riots, Watts area.
December 6	Discount rate raised from 4 percent to 4-1/2 percent.

1965--Continued

December 13	Permitted interest on savings accounts raised from 4-1/2 percent to 5-1/2 percent under Regulation Q.

1966

January 1	Increased social security taxes in effect.
February 8	FHA interest rate raised from 5-1/4 percent to 5-1/2 percent, no change in 1/2 percent loan insurance rate.
March 11	Prime rate raised from 5 percent to 5-1/2 percent in Eastern financial markets.
March 16	Auto excise tax raised from 6 percent to 7 percent.
April 1	Telephone excise tax of 10 percent reinstated.
April 12	FHA interest rate increased from 5-1/2 percent to 5-3/4 percent.
May 1	Increased withholding tax rates in effect.
June 30	Prime rate raised from 5-1/2 percent to 5-3/4 percent in New York, Chicago.
July 8-August 20	Airline strike.
August 16	Prime rate up to 6 percent, Eastern cities.
October 3	FHA interest rate raised from 5-3/4 percent to 6 percent.
October 10	Suspension of 7 percent investment credit and accelerated depreciation allowance.

1967

January 26	Prime rate lowered from 6 percent to 5-1/2 percent.
February 1	Minimum wage increased to $1.40 from $1.25 per hour.
March 9	Investment tax credit and accelerated depreciation allowance reinstated.
April 7	Discount rate lowered from 4-1/2 percent to 4 percent.

1967--Continued

April 21-July 26	Rubber strike.
July 15-March 20, 1968	Copper strike.
August 30	Steel price rises announced.
September 6-October 25	UAW strike against Ford.
November 20	Discount rate raised from 4 percent to 4-1/2 percent. Prime rate increased from 5-1/2 percent to 6 percent.
December 15	Los Angeles (Herald Examiner) newspaper strike.
December 27	Increase of 1/2 percent in reserve requirements announced. Effective in two stages during January 1968.

1968

January 1	Wage base for social security contributions raised from $6,600 to $7,800.
January 5-February 25	San Francisco newspaper strike.
February 1	Minimum wage increased to $1.60 from $1.40 per hour.
March 1	Increase in social security benefit payments, averaging 13 percent.
March 15	Discount rate raised from 4-1/2 percent to 5 percent. San Francisco increase effective March 18; New York up March 22. Highest level since 1929.
March 15-April 1	Trading in London gold market suspended. Two-price system for gold effective March 18 by London gold pool countries.
April 1	Personal income tax surcharge. See June 28.
April 1-June 13	San Francisco area machinists and electrical workers strike.
April 19	Discount rate raised to 5-1/2 percent. Prime rate increased from 6 percent to 6-1/2 percent.
May 7	FHA interest rate raised from 6 percent to 6-3/4 percent.
May 16	UAW suspended from AFL-CIO.

1968--Continued

June 8	Stock margin requirements raised from 70 percent to 80 percent.
June 28	Tax surcharge and $6 billion Federal spending cut legislation signed by President Johnson. 10 percent surcharge retroactive to April 1 for individuals, January 1 for corporations.
July 15	Increased personal income tax withholding in effect.
August 16-29	Federal reserve discount rate lowered from 5-1/2 percent to 5-1/4 percent.
September 25	Prime rate lowered from 6-1/2 percent to 6 percent by Chase Manhattan. (Subsequent reduction by other banks to 6-1/4 percent. Chase Manhattan rate raised to 6-1/4 percent effective November 13.)
December 2	Prime rate raised from 6-1/4 percent to 6-1/2 percent.
December 18	Federal Reserve discount rate raised from 5-1/4 percent to 5-1/2 percent. Prime rate raised from 6-1/2 percent to 6-3/4 percent.

1969

January 1	Social security contribution rate increased to combined 9.6 percent.
January 7	Prime rate raised from 6-3/4 percent to 7 percent.
January 24	FHA interest rate raised from 6-3/4 percent to 7-1/2 percent.
March 17	Prime rate raised from 7 percent to 7-1/2 percent.
April 3	Discount rate raised from 5-1/2 percent to 6 percent; reserve requirement raised.
June 9	Prime rate raised from 7-1/2 percent to 8-1/2 percent.
June 12	Required liquidity reserves of savings and loan associations lowered from 6-1/2 percent to 6 percent.

1970--Continued

October 27-February 1970	General Electric strike.

1970

January 1	Personal income tax surcharge reduced to 5 percent. Withholding cut.
January 5	FHA interest rate raised from 7-1/2 percent to 8-1/2 percent.
January 21	Increased schedule of interest rates on time deposits and certificates of deposit in effect.
March 25	Prime rate reduced from 8-1/2 percent to 8 percent.
April 2-June 2	Teamster strike.
May 6	Stock margin requirement cut from 80 percent to 65 percent.
July 1	Personal income tax surcharge removed.
September 14-November 23	UAW strike against GM.
September 22	Prime rate reduced from 8 percent to 7-1/2 percent.
November 10	Discount rate reduced from 6 percent to 5-3/4 percent.
November 12	Prime rate reduced from 7-1/2 percent to 7-1/4 percent.
November 23	Prime rate reduced from 7-1/4 percent to 7 percent.
December 1	Discount rate reduced from 5-3/4 percent to 5-1/2 percent. FHA interest rate reduced from 8-1/2 percent to 8 percent.
December 20	13-week extended duration unemployment benefits in effect.
December 22	Prime rate reduced from 7 percent to 6-3/4 percent.

1971

January 6	Prime rate reduced from 6-3/4 percent to 6-1/2 percent.

1971--Continued

January 8	Discount rate reduced from 5-1/2 percent to 5-1/4 percent.
January 12	FHA interest rate reduced from 8 percent to 7-1/2 percent.
January 15	Prime rate reduced from 6-1/2 percent to 6-1/4 percent.
January 18	Prime rate reduced from 6-1/4 percent to 6 percent.
January 19	Discount rate reduced from 5-1/4 percent to 5 percent.
February 4	Rolls Royce bankruptcy announced.
February 9	Los Angeles earthquake.
February 12	Discount rate reduced from 5 percent to 4-3/4 percent.
February 16	Prime rate reduced from 6 percent to 5-3/4 percent.
February 23	Davis Bacon Act regulating construction wages on Federal projects suspended. Suspension revoked on March 29. Wage-price curbs ordered.
March 16	Prime rate reduced from 5-3/4 percent to 5-1/2 percent.
March 17	Social security bill signed. Benefits raised 10 percent, retroactive to Jaunary 1, 1971. Contribution base raised to $9,000 effective January 1, 1972.
March 25	SST program terminated.
April 1	Interest rates on savings accounts in California banks generally reduced from 4-1/2 percent to 4 percent.
April 23	Prime rate raised from 5-1/4 percent to 5-1/2 percent.
May 1	Liquidity ratio for savings and loan associations raised from 6-1/2 percent to 7-1/2 percent.
May 17-18	Rail strike.
June 1-July 27	Communications workers strike against Western Union.

1971--Continued

June 15-21	Prime rate increased from 5-1/2 percent to 5-3/4 percent. General rise to 6 percent on July 7.
June 29-July 16	Northern California construction strike.
July 1-October 6	West Coast dock strike.
July 14-August 2	Telephone strike.
July 15	Discount rate raised from 4-3/4 percent to 5 percent.
July 16-August 2	Rail strike.
July 31	Steel strike averted by accord on contract.
August 2	Lockheed loan guarantee approval.
August 3	Teamsters walkout in Northern California against building contractors.
August 15-November 13	President's economic policy message; 90-day wage-price freeze in effect.
October 1	East and Gulf Coast longshoremen's strike.
October 20	Prime rate reduced from 6 percent to 5-3/4 percent. Further reduction to 5-1/2 percent on November 4.
November 11	Discount rate reduced from 5 percent to 4-3/4 percent.
November 14	Phase II of NEP in effect.
December 6	Stock margin requirements cut from 65 percent to 55 percent.
December 10	Revenue Act of 1971 signed into law.
December 13	Discount rate reduced from 4-3/4 percent to 4-1/2 percent. Prime rate lowered from 5-1/2 percent to 5-1/4 percent.*
	Intent to devalue U.S. dollar announced.

* Adoption of a floating prime rate in November 1971 has resulted in frequent minor adjustments in the rate. Information on the range of rates at any one time and the rate charged by the majority of commercial banks may be obtained from the Federal Reserve Bulletin.

1972

January 17-February 20	West Coast dock strike continued.
February 1-March 15	Kaiser Steel Company strike.
July 1	20 percent increase in social security benefits signed into law. Effective September.
September 11	Opening of BART Fremont-Oakland line.
September 21	"Friends of Mammoth" decision.
November 24	Stock margin requirements raised to 65 percent.

1973

January 11	Phase III of NEP in effect.
January 15	Discount rate raised from 4-1/2 percent to 5 percent.
January 27	Viet Nam cease fire signed.
January 29	Opening of BART Richmond-Oakland line.
February 12	10 percent devaluation of U.S. dollar announced.
March 2	Major foreign currency exchanges closed.
March 29	Price controls of meat announced.
April 9-13	Consumer meat boycott.
April 23	Discount rate raised from 5-1/2 percent to 5-3/4 percent.
May 10	Discount rate raised from 5-3/4 percent to 6 percent.
June 11	Discount rate raised from 6 percent to 6-1/2 percent.
June 14	60-day price freeze announced.
July 2	Discount rate raised from 6-1/2 percent to 7 percent. Increased reserve requirement on net demand deposits.
July 6	Interest rates increased: FHA mortgage rate: 7 percent to 7-3/4 percent; bank savings rate: 4-1/2 percent to 5 percent; savings and loan rate: 5 percent to 5-1/4 percent.

1973--Continued

July 18	Phase IV announced.
August 27	Prime rate at 9-3/4 percent in major institutions.
October 17	Arab nations announce reductions in oil shipment.
November 5-December 18	TWA strike.

1974

January 3	Stock margin requirements cut from 65 percent to 50 percent.
February 1-11	Independent truckers strike, midwest and east coast.
February 15	Prime rate reduced to 9 percent.
February 22	Prime rate reduced to 8-3/4 percent.
March 4	California minimum wage increased to $2.00 per hour from $1.65.
March 18	Arab oil embargo lifted.
March 27	Prime rate increased to 9 percent from 8-3/4 percent.
March 28	Prime rate further increased to 9-1/2 percent.
April 25	Federal Reserve raised discount rate to 8 percent from 7-1/2 percent.
April 29	Prime rate up to 10-3/4 percent.
April 30	Phase IV controls lifted in approximately 165 sectors of the economy.
June 17-August 4	San Diego construction strike.
June 17-July 21	Northern California construction strike.
July 1-Mid-August	Southern California construction strike.
July 1	Transit strikes, San Francisco Bay Area.
August 2-October 21	Los Angeles area transit strike.
August 8	Resignation of President Nixon announced.

1974--(Continued)

August 14 — FHA mortgage rate raised to 9-1/2 percent.

Prime rate reduced from 12 percent to 11-3/4 percent on limited basis. Prevailing rate on date of major changes:

October 21....11 1/2 percent
October 28....11 1/4 percent
November 4....11 percent
November 14...10 3/4 percent
November 25...10 1/2 percent

October 8 — Prime rate reduced from 12 percent to 11-3/4 percent by several more large banks.

November 12-December 9 — Coal strike.

December 9 — Discount rate reduced from 8 percent to 7-3/4 percent.

1975

January 6 — Federal Reserve discount rate cut from 7-3/4 percent to 7-1/4 percent.

January 10 — Oil Chemical Atomic Workers Union strike.

January 13 — Prime rate reduced to 10 percent. Further major cuts as follows:

Jannuary 21.....9 3/4 percent
January 31.....9 percent
February 6.....8 3/4 percent
February 19.....8 1/2 percent
March 3.....8 1/4 percent
March 8.....8 percent

January 21 — FHA mortgage rate reduced from 9 percent to 8-1/2 percent.

February 5 — Federal Reserve discount rate cut from 7-1/4 percent to 6-3/4 percent.

March 10 — Federal Reserve discount rate cut from 6-3/4 percent to 6-1/4 percent.

March 24 — Prime rate reduced to 7-1/2 percent by most major banks.

March 25 — King Faisal assassinated.

March 29 — Tax reduction act signed into law.

May 19 — Prime rate reduced to 7-1/4 percent by several major banks.

June 10 — Prime rate reduced to 7 percent by most banks.

1975--Continued

July 18 — Prime rate increased to 7-1/4 percent. Further gains as follows:

July 25.....7-1/2 percent
August 11.....7-3/4 ercent
September 15....8 percent

September 1 — National Airlines strike.

October 16 — Reserve requirement on time deposits reduced from 3 percent to 1 percent.

October 24 — Prime rate reduced to 7-3/4 percent. Further reductions as follows:

October 31.....7-1/2 percent
November 21.....7-1/4 percent

December 5-19 — United Airlines strike.

1976

January 12 — Prime rate lowered to 7 percent.

January 19 — Federal Reserve discount rate lowered from 6 percent to 5-1/2 percent.

January 21 — Prime rate reduced to 6-3/4 percent.

April 1-3 — Teamsters strike.

April 9-June 4 — Prime rate moving upward, 6-3/4 percent to 7-1/4 percent at most major banks.

April 21 — Rubber workers strike.

July 20-August 2 — Cannery workers strike.

August 2 — Prime rate reduced to 7 percent. Further reductions as follows:

October 4.....6-3/4 percent
October 29.....6-1/2 percent
December 10.....6-1/4 percent

September 15-October 13 — Auto workers strike.

October 18 — California minimum wage raised to $2.50 per hour.

December 22 — Prime rate reduced to 6 percent by Chase Manhattan Bank. Most banks maintain a prime rate of 6-1/4 percent.

1977

May 16 — Prime rate raised to 6-1/2 percent.

1977--Continued

May 31	Prime rate raised to 6-3/4 percent.
August 22	Prime rate raised to 7 percent.
August 30	Federal Reserve discount rate raised from 5-1/4 percent to 5-3/4 percent, the first increase since April 1974.
September 16	Prime rate raised to 7-1/4 percent.
October 1-November 24	Longshoremen's strike against East and Gulf Coast ports.
October 7	Prime rate raised to 7-1/2 percent.
October 10-January 4	IAM-Lockheed strike.
October 24	Prime rate raised from 7-1/2 percent to 7-3/4 percent.
October 26	Discount rate raised from 5-3/4 percent to 6 percent.
December 6-March 24	United Mine Workers strike.

1978

January 1	U.S. minimum wage increased to $2.65 per hour.
January 9	Discount rate raised from 6 percent to 6-1/2 percent.
January 10	Prime rate raised to 8 percent.
February 28	FHA mortgage rate raised from 8-1/2 percent to 8-3/4 percent.
April 1	California minimum wage increased from $2.50 to $2.65 per hour.
April 1-May 28	United Airlines strike.
May 4	Prime rate raised from 8 percent to 8-1/4 percent.
May 8	California savings and loan assocations raised mortgage rates from 9-3/4 percent to 10 percent.
May 12	Discount rate raised to 7 percent.

1978--Continued

May 23	Federal funds rate increased to 7-1/2 percent.
	FHA-VA mortgage rate raised from 8-3/4 percent to 9 percent.
May 26	Prime rate raised from 8-1/4 percent to 8-1/2 percent.
June 6	Proposition 13 approved by California voters.
June 16	Prime rate raised to 8-3/4 percent.
June 20	OPEC announced a freeze on crude oil prices until December 16.
June 22	Federal funds rate raised from 7-1/2 percent to 7-3/4 percent.
June 29	FHA-VA mortgage rate raised to 9-1/2 percent.
June 30	Prime rate raised to 9 percent.
July 10	Discount rate raised to 7-1/4 percent.
July 18	Teamsters union strike affecting supermarkets throughout Northern California.
August 20	Retail clerks union strike in Southern California.
August 21	Discount rate raised to 7-3/4 percent.
August 29	Federal funds rate raised from 8-1/8 percent to 8-1/4 percent.
August 31	Prime rate raised by some eastern banks from 9 percent to 9-1/4 percent.
September 15	Prime rate raised to 9-1/2 percent.
September 22	Discount rate raised from 7-3/4 percent to 9-3/4 percent.
September 28	Prime rate raised from 9-1/2 percent to 9-3/4 percent.
October 12	Prime rate raised from 9-3/4 percent to 10 percent.

1978--Continued

October 15	Tax cut and energy bills passed by Congress.
October 16	Discount rate raised from 8 percent to 8-1/2 percent.
October 18	Federal funds rate raised from 8-3/4 percent to 8-7/8 percent.
October 24	Prime rate raised from 10 percent to 10-1/4 percent.
	California mortgage rates raised from 10 percent to 10-1/4 percent at several savings and loan institutions.
October 24	Phase II announced: voluntary guidelines on wages and prices.
November 1	Discount rate raised from 8-1/2 percent to 9-1/2 percent.
	Prime rate raised to 10-1/2 percent.
November 3	Prime rate raised from 10-1/2 percent to 10-3/4 percent.
November 13	Prime rate raised from 10-3/4 percent to 11 percent.
November 24	Prime rate raised to 11-1/2 percent.
November 27	Federal funds rate raised from 9-3/4 percent to 9-7/8 percent.
December 4	Rollover for 6-month certificates of deposit (CDs) began this week.
December 19	Federal funds rate raised to 10 percent.
December 20	Prime rate raised to 11-3/4 percent.

1979

January 1	U.S. minimum wage increased to $2.90 per hour.
January 13	Prime rate reduced to 11-1/2 percent.
March 15	Terms for MMCs changed. 1/4 point differential over 9 percent eliminated.

1979--Continued

March 27	OPEC price increases: 9 percent. Selected surcharges imposed.
March 31	United Airlines-machinist strike.
April 1-10	Teamsters strike.
May 7	Prime rate moved to 11-3/4 percent from 11-1/2 percent.
May 19	Federal funds rate set at 7-1/4 percent.
May 26	United Airlines strike ended.
May 30	Interest rate on conventional mortgages raised to 11-3/4 percent.
June 12	Prime rate reduced to 11-1/2 percent.
July 1	Interest rates on passbook accounts up to 5.5 percent at Savings and Loans and 5.25 percent for banks.
July 20	Discount rate raised from 9-1/2 percent to 10 percent.
August 16	Discount rate raised to 10-1/2 percent.
August 24	Federal funds rate raised from 11 percent to 11-1/4 percent.
August 26-September 10	Los Angeles Rapid Transit District strike.
August 28	Prime rate raised from 12 percent to 12-1/4 percent.
August 31-November 21	BART strike.
September 4	Federal funds rate raised from 11-1/percent

1980

February 25	Prime rate raised to 16-1/2 percent.
February 27	Ceilings on interest rates for government backed mortgages raised to 13 percent.
February 29	Prime rate raised to 16-3/4 percent.

1980--Continued

March 4	Prime rate raised to 17-1/4 percent.
March 7	Prime rate raised to 17-3/4 percent.
March 13	Prime rate raised to 18-1/4 percent.
March 14	Announcement of tighter fiscal policies.
March 18	Prime rate raised to 19 percent.
April 2	Prime rate raised to 20 percent.
April 3	FHA mortgages raised to 14 percent.
April 20	Prime rate reduced to 19-1/2 percent.
April 28	FHA mortgages reduced to 13 percent.
	Prime rate reduced to 18-1/2 percent.
May 5	Prime rate reduced to 18 percent.
May 7	Prime rate reduced to 17 percent.
May 12	Prime rate reduced to 16-1/2 percent.
May 19	Prime rate reduced to 16 percent.
May 28	Discount rate lowered to 12 percent from 13 percent.
June 4	Prime rate reduced to 13 percent.
June 12	Discount rate lowered to 11 percent. Prime rate reduced to 12-1/2 percent.
June 20	Prime rate reduced to 12 percent.
June 24	Prime rate reduced to 11-1/2 percent. Some conventional mortgage rates fell to 12 percent.
June 25	Carpenters strike in Northern California ended.
July 3	ICC begins trucking industry deregulation.
July 21	Motion picture and television industry strike.

1980--Continued

July 22	Prime rate reduced to 11 percent.
July 25	Prime rate reduced to 10-3/4 percent.
July 28	Discount rate reduced to 10 percent.
August 5	Prime rate raised to 11 percent.
August 27	Prime rate raised to 11-1/2 percent.
September 5	FHA mortgage interest rate raised from 11-1/2 to 12 percent.
September 12	California morgage rate raised from 13-1/2 percent to 13-3/4 percent.
September 25	Pacific Southwest Airlines (PSA) pilots strike begins.
September 26	Discount rate raised from 10 to 11 percent. Prime rate raised from 12-1/2 percent to 12-3/4 percent.
October 2	Prime raised from 13 to 13-1/2 percent.
October 3	Prime raised to 14 percent.
October 15	AFTA workers return to work.
October 23	Screen Actors Guild strike ends.
October 30	Prime raised from 14 to 14-1/2 percent.
November 7	Prime raised from 14-1/2 to 15-1/2 percent.
November 14	PSA pilots strike ends.
November 17	Prime raised to 16 1/4 percent. Discount rate raised from 11 to 12 percent.
November 21	Prime raised to 17 percent.
November 28	Prime raised to 17-3/4 percent.
December 3	Prime raised from 17-3/4 to 18-1/2 percent.
December 5	Discount rate raised from 12 to 13 percent. Prime raised to 19 percent.
December 11	Prime raised to 20 percent.
December 17	Prime raised from 20 to 21 percent.

1980--Continued

December 23	Prime lowered from 21 to 20-1/2 percent.

1981

January 1	Minimum wage raised from $3.10 to $3.35.
January 6	Prime lowered to 20 percent.
January 20	American hostages released from Iran.
	Ronald Reagan inaugrated as 40th President of the U.S.
January 28	Deregulation of oil and gas industry announced, effective immediately.
January 29	Prime rate lowered to 19-1/2 percent from 20 percent.
February 16	General Motors and Ford rebate plans announced.
February 23	Prime rate lowered to 18 percent.
March 2	Prime rate lowered to 18-1/2 percent.
March 10	Prime rate lowered to 18 percent.
March 16	Prime rate lowered to 17-1/2 percent.
March 18	Prime rate lowered to 17 percent.
March 26	United mine workers strike.
April 13	Prime rate raised to 17-1/2 percent.
April 29	Prime rate raised to 18 percent.
May 4	Prime rate raised to 19 percent.
May 5	Discount rate raised from 13 percent to 14 percent.
May 8	FHA-VA rate up to 15-1/2 percent from 14-1/2 percent.
May 11	Prime rate raised to 19-1/2 percent.
May 22	Prime rate raised to 20 percent.
May 27	OPEC fails to agree on a uniform price schedule. OPEC officials freeze prices at current level.

1981--(Continued)

June 5	Dollar reaches highest level in international trading since December 1971.
June 8	Coal miners end 72 day strike and ratify a 40-month contract.
July 8	Prime rate raised to 20-1/2 percent.
August 3	Air traffic controller's strike.
August 14	President Reagan signs both the tax- and budget-cut bills into law.
August 18	FHA-VA rate up to 16-1/2 percent from 15-1/2 percent.
September 1	Prime rate lowered to 20 percent.
September 21	Prime rate lowered to 19-1/2 percent.
September 22	Fed surcharge cut to 3 percent from 4 percent.
October 6	Prime rate lowered to 19 percent.
	Egyptian President Sadat assassinated.
October 13	Prime rate lowered to 18 percent.
October 30	OPEC price set at $34.00/barrel--the Saudi benchmark.
November 1	Passbook interest rate raised 1/2 percent to 5-3/4 percent.
November 2	Fed discount rate cut from 14 percent to 13 percent.
	Prime rate lowered to 17-1/2 percent.
November 10	Prime rate lowered to 17 percent.
November 13	Prime rate lowered to 16-1/2 percent.
November 16	Prime rate lowered to 16 percent.
November 17	Fed eliminates 2 percent surcharge. Discount rate uneffected
December 1	Prime rate lowered to 15-1/2 percent.
December 4	Fed discount rate lowered from 13 percent to 12 percent.
December 12	Martial law imposed in Poland.

SOURCES OF STATISTICAL SERIES

Employment Development Department *Employment Data and Research*	Civilian employment Unemployment Unemployment rate Nonagricultural employment Manufacturing employment Hours and earnings Nonagricultural placements Initial claims for unemployment insurance Insured unemployment Index for production worker man-hours
Department of Industrial Relations *Division of Labor Statistics and Research*	California consumer price index
Department of Finance	Personal income Wages and salaries Index of leading indicators
Department of Motor Vehicles	New auto registrations
State Board of Equalization	Taxable sales
Security Pacific National Bank	Housing units authorized Valuation of nonresidential construction
U.S. Department of Commerce	Retail sales
U.S. Bureau of Labor Statistics	Consumer price indices
U.S. Department of Defense	Prime defense contracts
Federal Power Commission	Electricity production
California Redwood Association	Lumber production
Conservation Committee of California Oil Producers	Petroleum production
American Iron and Steel Institute	Steel production
U.S. Bureau of Mines	Cement production
Dun and Bradstreet	Business failures and liabilities
California Secretary of State	New business incorporations
Federal Reserve Bank of San Francisco	Demand deposits Commercial and industrial loans

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REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854 -

Initial trough	Peak	Terminal trough	Expansion (months)	Contraction (months)	Total (months)
Dec. 1854	June 1857	Dec. 1858	30	18	48
Dec. 1858	Oct. 1860	June 1861	22	8	30
June 1861	April 1865	Dec. 1867	46	32	78
Dec. 1867	June 1869	Dec. 1870	18	18	36
Dec. 1870	Oct. 1873	March 1879	34	65	99
March 1879	March 1882	May 1885	36	38	74
May 1885	March 1887	April 1888	22	13	35
April 1888	July 1890	May 1891	27	10	37
May 1891	Jan. 1893	June 1894	20	17	37
June 1894	Dec. 1895	June 1897	18	18	36
June 1897	June 1899	Dec. 1900	24	18	42
Dec. 1900	Sept. 1902	Aug. 1904	21	23	44
Aug. 1904	May 1907	June 1908	33	13	46
June 1908	Jan. 1910	Jan. 1912	19	24	43
Jan. 1912	Jan. 1913	Dec. 1914	12	23	35
Dec. 1914	Aug. 1918	March 1919	44	7	51
March 1919	Jan. 1920	July 1921	10	18	28
July 1921	May 1923	July 1924	22	14	36
July 1924	Oct. 1926	Nov. 1927	27	13	40
Nov. 1927	Aug. 1929	March 1933	21	43	64
March 1933	May 1937	June 1938	50	13	63
June 1938	Feb. 1945	Oct. 1945	80	8	88
Oct. 1945	Nov. 1948	Oct. 1949	37	11	48
Oct. 1949	July 1953	May 1954	45	10	55
May 1954	Aug. 1957	April 1958	39	8	47
April 1958	April 1960	Feb. 1961	24	10	34
Feb. 1961	Dec. 1969	Nov. 1970	106	11	117
Nov. 1970	Nov. 1973	March 1975	36	16	52
March 1975	Jan. 1980		58		

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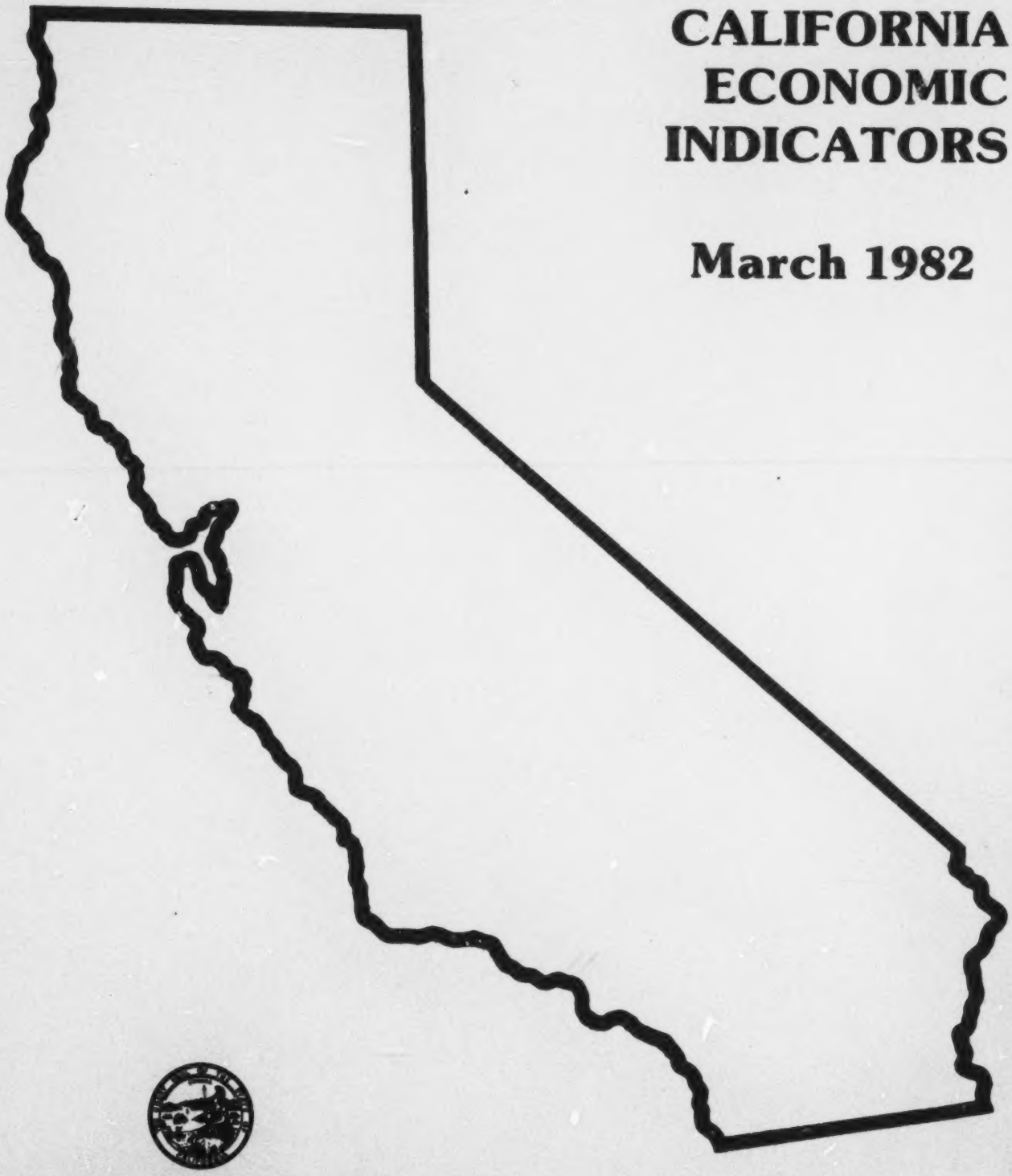
CALIFORNIA ECONOMIC INDICATORS

March 1982



DEPARTMENT OF FINANCE

INTRODUCTION

California Economic Indicators is a bimonthly summary of economic trends and data relating to the State of California. Generally patterned after the U.S. Census Bureau publication Business Conditions Digest, the report contains the following regular features:

- review of economic developments
- current California economic data table
- economic indicator charts
- basic data for California economic series
- chronology of major economic events.

Developments in California over the most recent months are reviewed in a brief text, and then summarized in a current data table which shows changes over the previous year. Charts containing monthly and quarterly series from 1971 are included to facilitate the review of current developments, and to appraise the significance of the developments on the State economy. Much of the data in the report has been seasonally adjusted by the source agency or the Department of Finance.

Sources are cited on the inside back cover to assist readers in obtaining any additional information on the statistical series published. Finally, reference dates for U.S. business cycles, as determined by the National Bureau of Economic Research, are shown on the back of the publication.

Individuals or businesses seeking assistance in their economic development or job creation efforts are advised to contact the Department of Economic and Business Development. The Department can also provide additional general information on economic opportunities in California. Correspondence should be addressed to: State of California, Department of Economic and Business Development, 1120 N Street, Sacramento, CA 95814.

The Department of Finance welcomes suggestions on additions or changes which would make the Indicators a more useful publication. Correspondence should be addressed to: State of California, Department of Finance, Financial Research Unit, 1025 P Street, Sacramento, CA 95814.

Subscriptions are $5.00 per year, and begin with the January issue. The subscription price will be prorated throughout the year based upon the beginning subscription date, as shown below:

Beginning Subscription Date	Prorated Amount Due
January	$5.00
March	4.15
May	3.35
July	2.50
September	1.65
November	0.85

Mail subscription requests to the California Department of Finance, P.O. Box 151, Sacramento, CA 95801. Make checks payable to the California Department of Finance.

0804A

REVIEW OF ECONOMIC DEVELOPMENTS

The California economy is continuing its downward trend. Although total civilian employment increased 0.5 percent in February, unemployment rose by 3.0 percent. This caused the unemployment rate to rise from 8.7 percent in January to 8.9 percent in February. Of the 1,069,000 persons unemployed, 701,200 had been laid off. This is the first time the number of job losers in California has exceeded 700,000.

Total nonagricultural wage and salary employment fell 0.2 percent in February, to a seasonally adjusted 10,089,300. This decline represented a loss of 25,100 jobs from January.

Only two sectors posted employment gains in February: mining (+1.0%) and the finance group (+0.6%). All other sectors were either unchanged or showed losses.

Registering the greatest employment losses in February--and in 1981--were construction and durables manufacturing. Construction employment reached its peak two years ago with 470,900 employed. Since then employment has been trending predominantly downward. February's employment of 421,300 reflected the sharp slump in homebuilding and the slowdown in nonresidential activity over the past six months.

Durable goods employment fell 0.5 percent in February to 1,355,500--a loss of 36,400 jobs since February 1980's peak.

Other sectors showing significant reductions during February included State and local government (-0.3%), the transportation-communications-utilities group (-0.3%) and retail trade (-0.25%).

(All nonagricultural employment data, including those in the California Economic Factors table, represent the Interim Benchmark Series prepared by the Employment Development Department. February data are estimated by the Department of Finance based upon the official BLS employment series.)

Inflationary trends in California, as measured by the consumer price index, have changed significantly in the past four months. For most of 1981, housing costs--mortgage interest rates in particular--were the driving force behind inflation. (For example, the homeownership component of the San Diego CPI-U rose 19.7 and 19.8 percent in 1980 and 1981, respectively.) Gasoline prices have also pushed general price levels upwards. These situations have changed. Mortgage interest rates and gasoline prices are falling and are expected to continue downward at least for the duration of the recession. Average house and new car prices are also edging downward. Between October 1981 and February 1982, the consumer price index for California rose by 0.7 percent, or at a 2.1 percent rate. This was a better performance than for the Nation, which saw the CPI increase at a 3.8 percent rate over the same four months. It now appears that the California CPI will be up approximately 7 percent for 1982 compared with 1981, a marked improvement from the 11.1 percent gain in 1981 and the 15.5 percent rise of 1980.

Private housing units authorized in February fell back to December's 64,000 rate. For the first two months of 1982, authorizations were running 51 percent below the year-earlier level. The current rate remains far below 1981's anemic level of 105,000 units.

CURRENT CALIFORNIA ECONOMIC DATA

	1982				1980		Percent Change Nov. 1981-Nov. 1982
	Jan.	Dec.	Nov.	Oct.	Jan.	Dec.	
Employment[a]/							
Civilian employment (000)	10,878	10,828	10,915	10,902	10,872	10,840	0.1
Unemployment (000)	1,038	1,023	956	959	853	736	21.7
Unemployment rate	8.7	8.6	8.1	8.1	7.3	6.4	--
Nonagricultural wage and salary employment[b]/ (000)	10,114.4	10,120.4	10,135.9	10,145.0	10,020.3	9,967.5	0.9
Mining	51.3	50.5	50.5	50.2	46.2	45.6	1.6
Construction	432.1	417.4	422.2	429.9	456.1	447.9	-5.3
Manufacturing	2,014.1	2,011.7	2,020.7	2,025.9	2,016.3	2,002.8	-0.1
Aerospace[c]/	628.8	631.0	620.4	621.6	627.2	628.0	0.3
Transportation--communications public utilities	558.2	614.3	614.4	610.6	587.7	592.0	-5.0
Trade	2,355.1	2,233.6	2,338.9	2,341.9	2,282.9	2,272.6	3.2
Finance--insurance--real estate	653.3	655.0	652.7	651.6	637.5	639.5	2.5
Services	2,292.6	2,282.0	2,275.9	2,272.1	2,217.6	2,191.7	3.4
Government	1,757.7	1,755.9	1,760.6	1,763.8	1,776.0	1,775.4	-1.0
Federal	326.1	323.7	326.0	323.7	329.0	329.4	-0.9
State and local	1,431.6	1,432.2	1,434.6	1,440.1	1,447.0	1,446.0	-1.1
Hours and Earnings, Manufacturing							
Average weekly hours	39.6	40.5	39.8	39.5	39.6	40.5	0.0
Average weekly earnings	$357.00	$365.00	$354.12	$347.90	$322.34	$327.65	10.8
Average hourly earnings	$9.02	$9.01	$8.92	$8.83	$8.14	$8.09	10.8
Index of Leading Indicators	n.a.	n.a.	n.a.	n.a.	153.8	151.0	--
Trade							
Retail sales (millions)	n.a.	$12,025	$9,827	$10,079	$8,785	$11,367	--
New auto registrations (number)	n.a.	68,458	59,761	84,437	76,644	75,008	--
Business							
Business failures (number)	n.a.	n.a.	n.a.	n.a.	189	163	--
Business liabilities (000)	n.a.	n.a.	n.a.	n.a.	$87,807	$32,539	--
New incorporations (number)	3,896	4,580	4,266	5,400	4,653	486.6	-16.3
Consumer Price Index, all items[d]/							
California average (1967=100)	--	289.2	--	288.6	--	260.0	--
San Francisco (1967=100)	--	294.0	--	297.0	--	258.7	--
Los Angeles (1967=100)	285.8	282.3	281.8	281.3	259.4	254.9	10.2
San Diego (1967=100)	323.1	--	321.3	--	257.7	--	12.3
Output							
Petroleum production (000 barrels daily)	1,084.6	1,086.6	1,089.6	1,079.3	1,004.9	1,001.9	7.9
Cement production (000 short tons)	n.a.	526.0	520.7	700.2	484.9	676.4	--
Raw steel production (000 net tons)	n.a.	n.a.	n.a.	n.a.	241.0	219.8	--
Lumber shipments (mil. FBM)	67.0	62.2	63.8	63.8	66.8	75.9	0.3
Construction							
Private residential housing units authorized (number)	4,140	5,195	4,182	6,558	7,752	11,241	-46.0
Nonresidential building authorized, valuation (000)	$314,617	$408,467	$514,880	$714,225	$650,712	$707,531	-51.6

a/ Adjusted for seasonal variation.

b/ Interim series of wage and salary workers. This unofficial series is adjusted for the latest tabulations of unemployment insurance coverage and approximates what the official data will be when estimates are updated at year end. March data are estimated by the Department of Finance based upon the official BLS employment series.

c/ Interim series does not give a detailed breakdown of manufacturing for aerospace employment. This value is from the EDD official employment series, it is not seasonally adjusted.

d/ All urban series.

n.a. Not available

28290

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are production worker man-hours, insured unemployment, manufacturing employment, and taxable sales. These series are discussed in the technical note below.

Data for most series are plotted monthly. Quarterly series are identified following the series title on the chart.

The Arabic numeral in the right hand corner of each graph indicates the latest month for which the data are plotted (e.g.: 7 = July).

Roman numerals indicate the latest quarter for which data are plotted (III = third quarter).

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The series on average weekly hours of production workers in manufacturing and production worker man-hours are adjusted by the Bureau of Labor Statistics method. Other series have been adjusted by the Bureau of the Census (Shiskin) method. Persons interested in a detailed description of these methods are referred to the U.S. Department of Labor, Bureau of Labor Statistics, the BLS Seasonal Factor Method (1964); and the U.S. Department of Commerce, Bureau of the Census, Technical Paper No. 15, The X-11 Variant of the Census Method II, Seasonal Adjustment Program (November 1965.)

Under the Census Bureau seasonal method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Production Worker Man-Hours

This series is a substitute for the man-hours in nonagricultural establishments series used in the Census Bureau's publication, Business Cycle Developments. It is the cross product of average weekly hours of production workers in manufacturing and manufacturing employment. Workweek data are a leading indicator. Manufacturing employment appears to be a coincident indicator, although at times it seems to lead economic downturns. Because of this, the man-hours series has been classified in the present publication as a leading indicator.

Insured Unemployment

The series on total insured unemployment is being used rather than the insured unemployment rate included in the Census Bureau's indicator list. The insured rate is available only with a lag of nine months, which precludes its usefulness as a current indicator.

Manufacturing Employment

This series is also an addition to the Census Bureau indicator list. It was used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

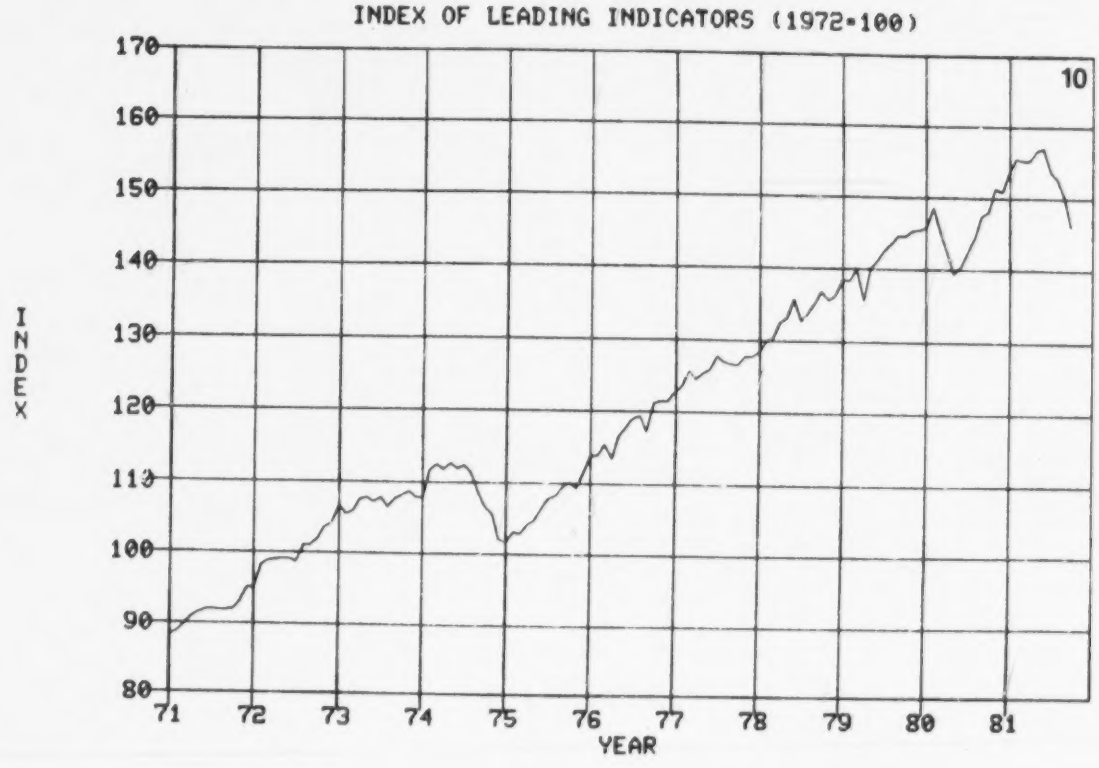
Taxable Sales

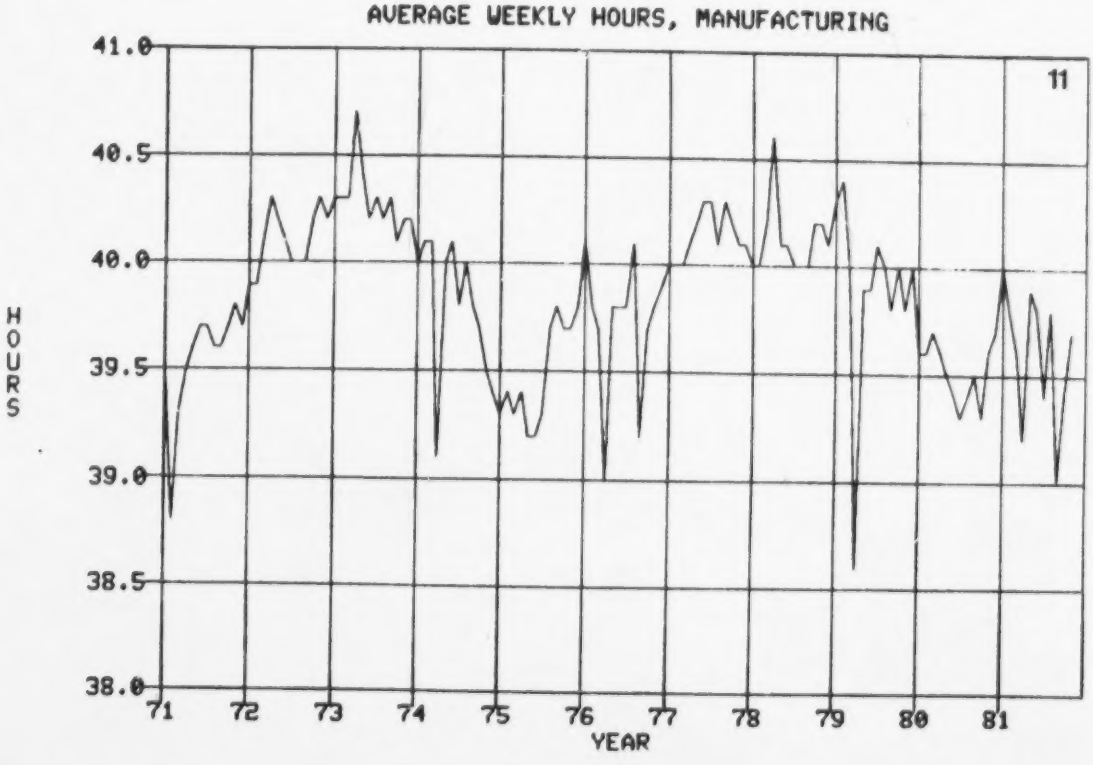
Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is therefore a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but will be of interest to persons looking at overall economic developments.

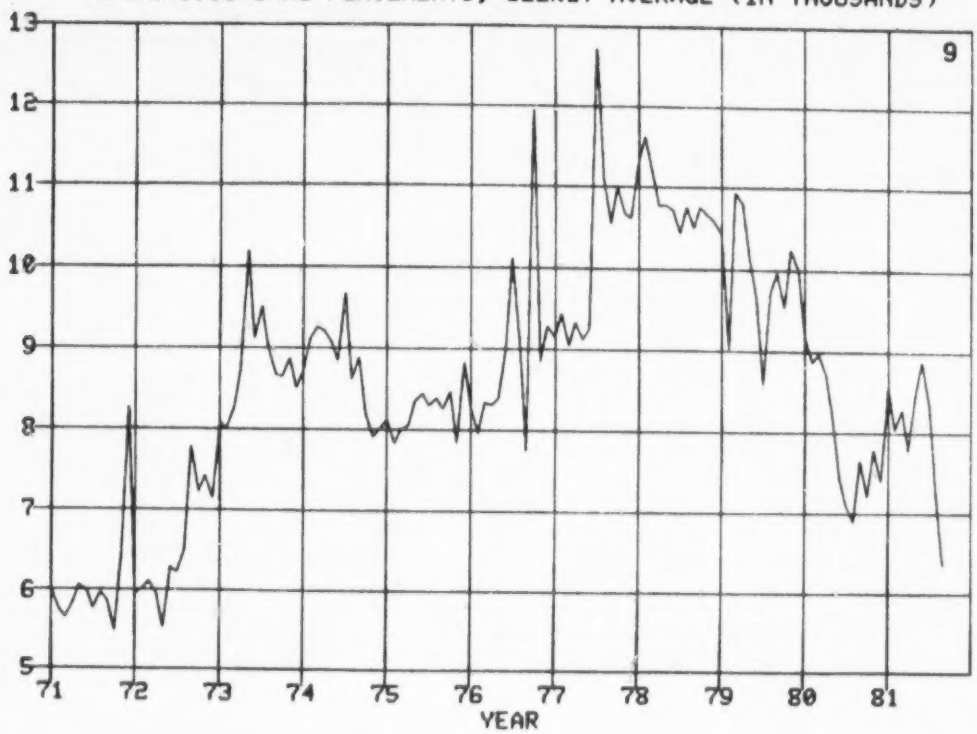
Standard Abbreviations

n.a.	Not available	p	Preliminary
e	Estimate	r	Revised

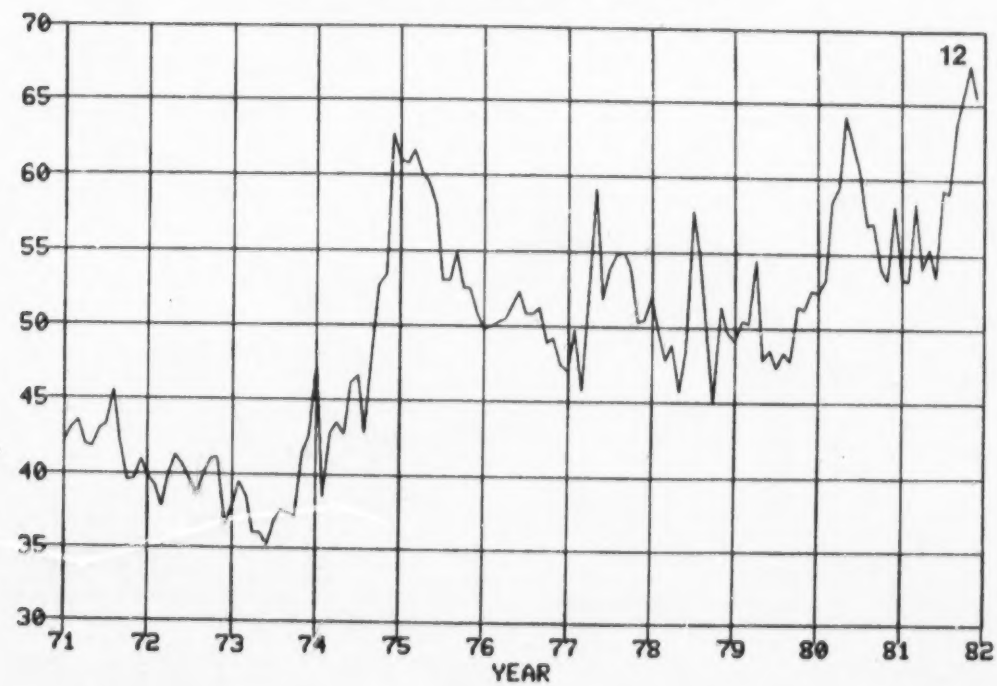

INDEX OF LEADING INDICATORS (1972=100)
10
INDEX
170
160
150
140
130
120
110
100
90
80
71
72
73
74
75
76
77
78
79
80
81
YEAR


AVERAGE WEEKLY HOURS, MANUFACTURING
11
HOURS
41.0
40.5
40.0
39.5
39.0
38.5
38.0
71
72
73
74
75
76
77
78
79
80
81
YEAR

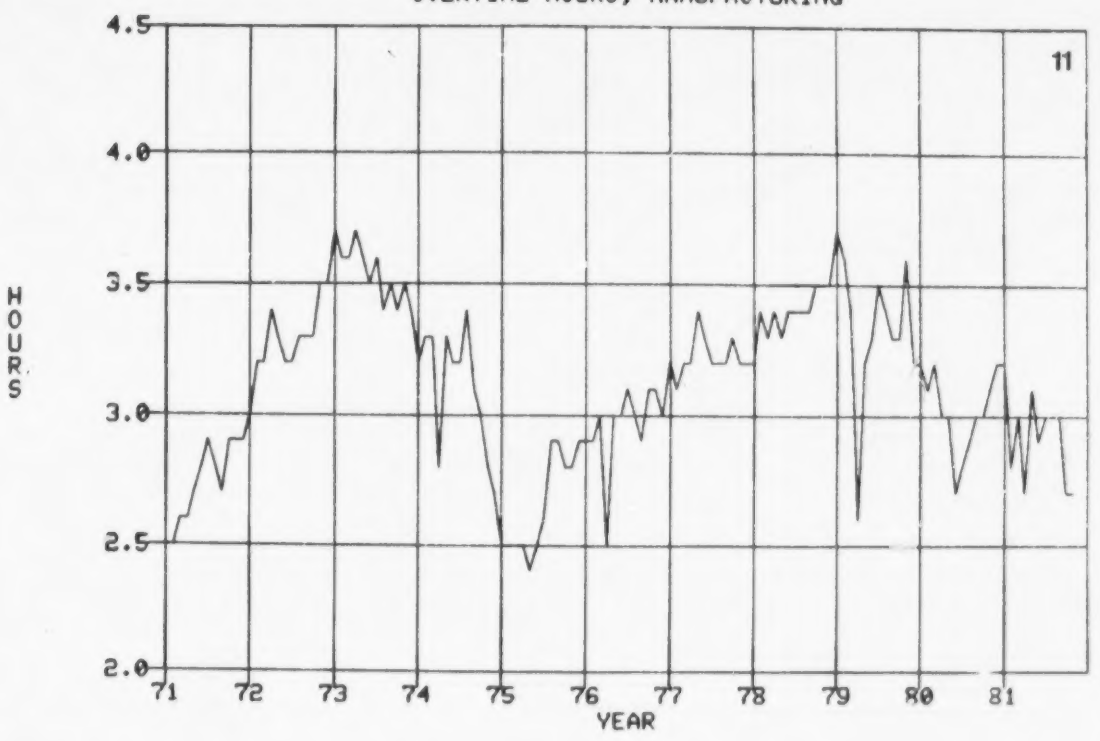
NONAGRICULTURAL PLACEMENTS, WEEKLY AVERAGE (IN THOUSANDS)



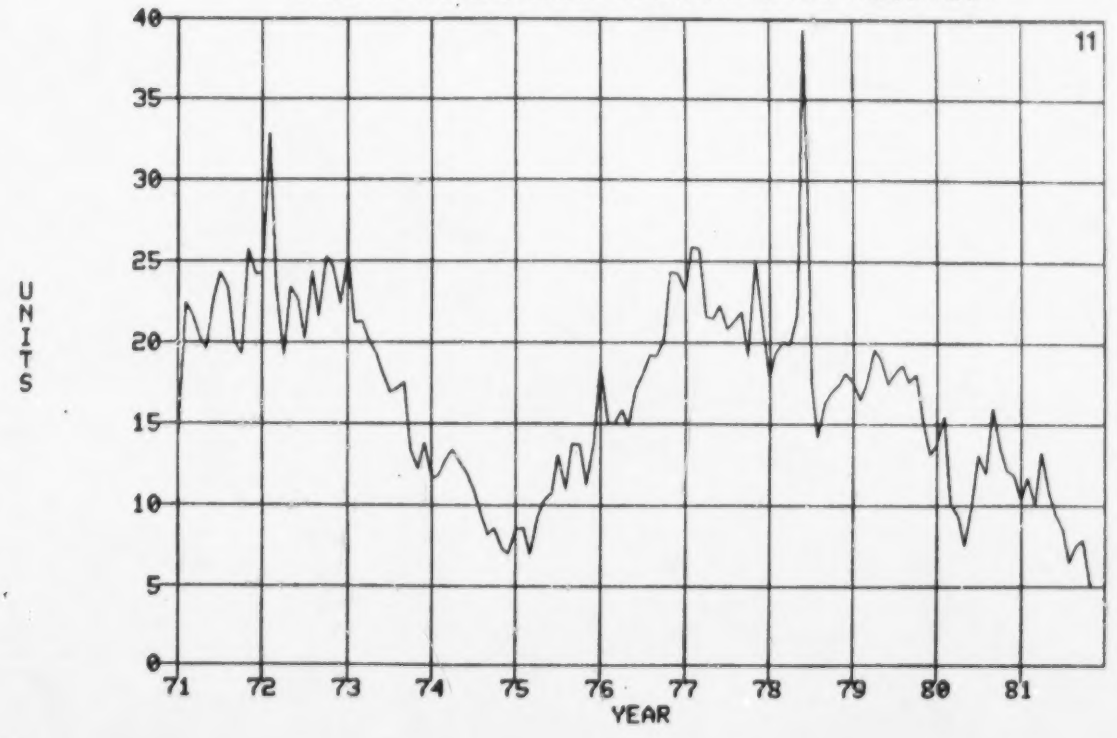
INITIAL CLAIMS FOR UNEMPLOYMENT INSURANCE,
WEEKLY AVERAGE (IN THOUSANDS)



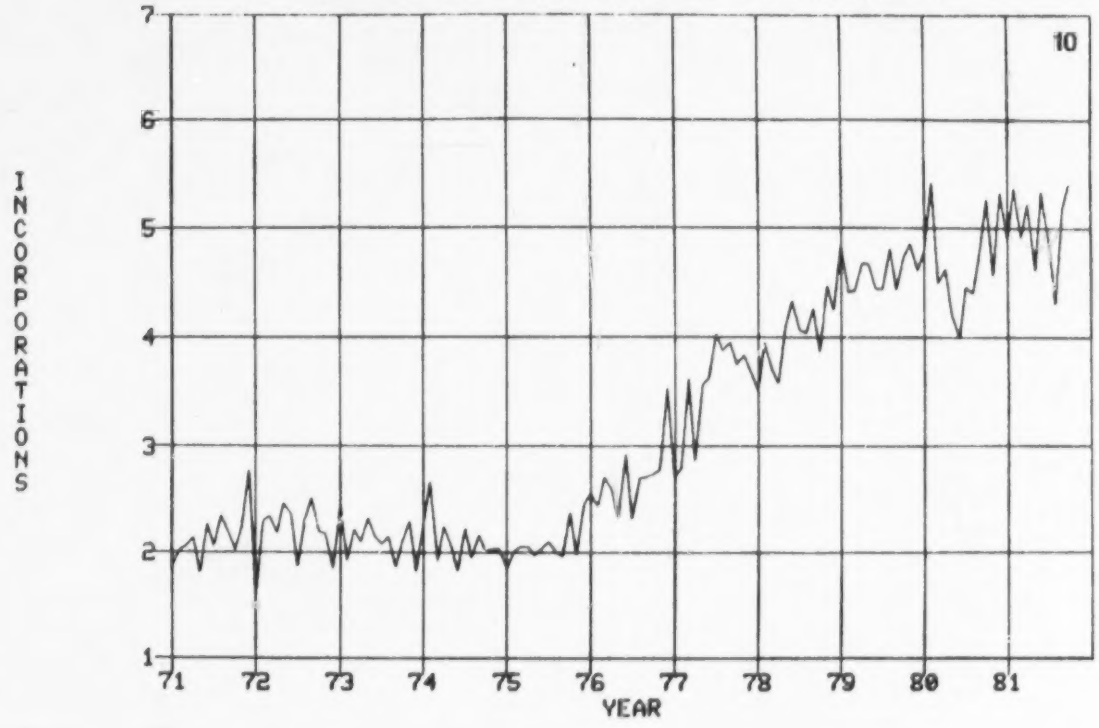
OVERTIME HOURS, MANUFACTURING



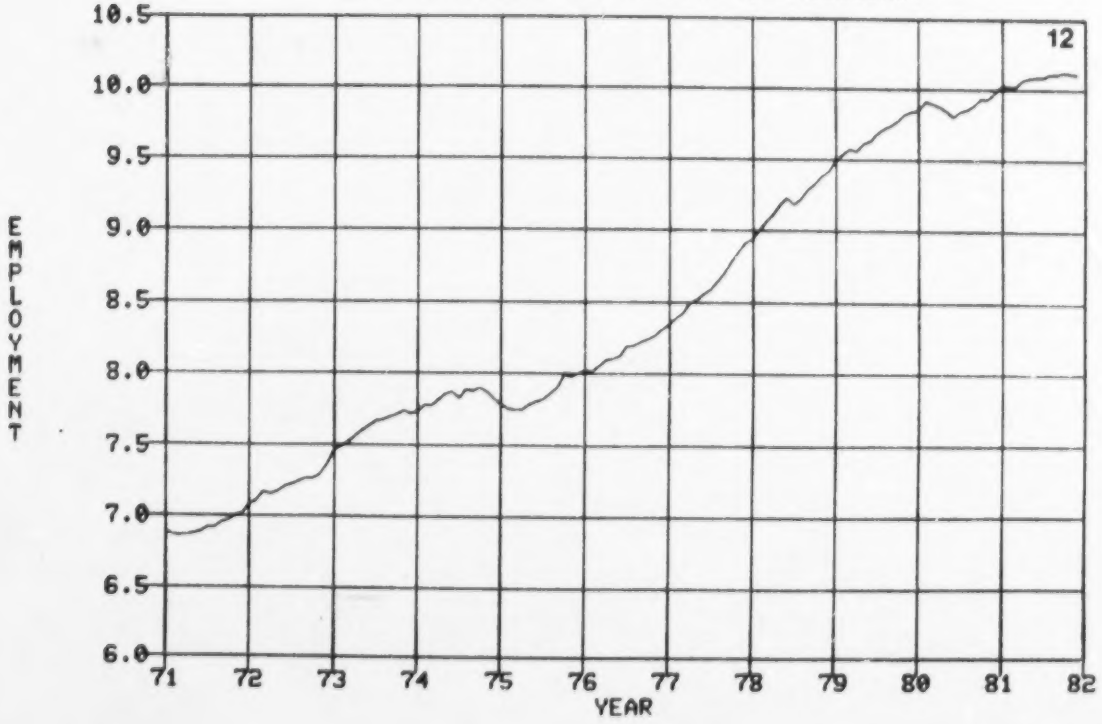
PRIVATE HOUSING UNITS AUTHORIZED (IN THOUSANDS)

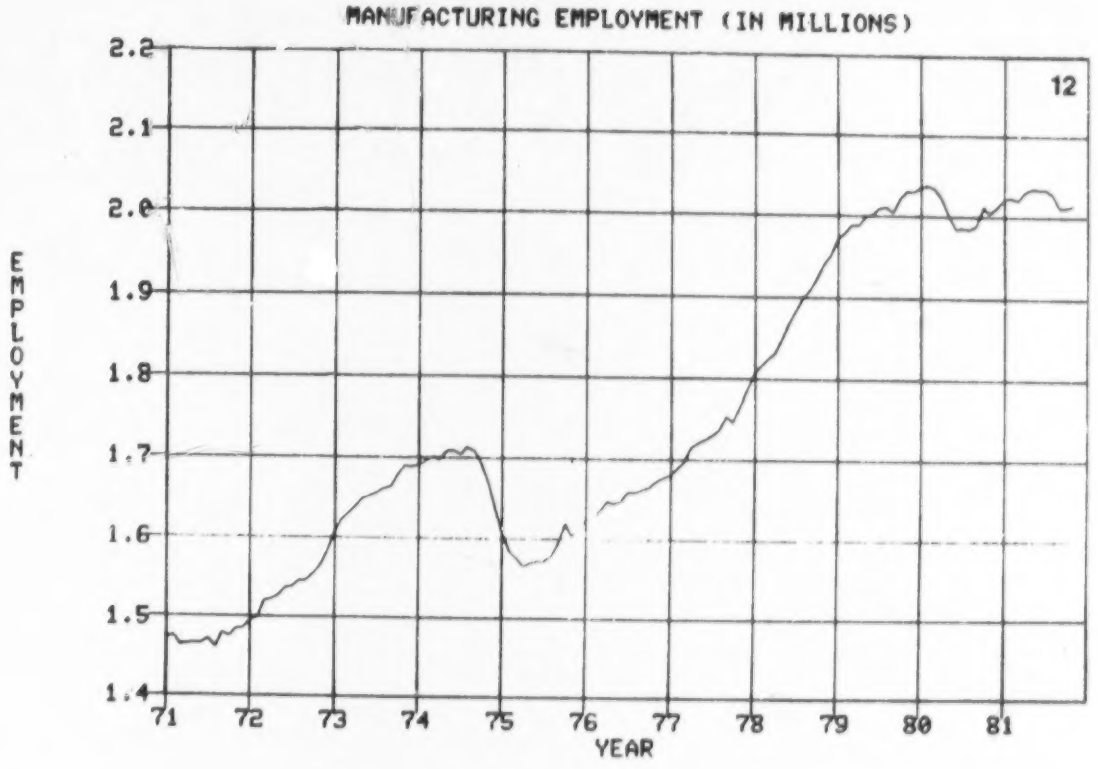


NEW BUSINESS INCORPORATIONS (IN THOUSANDS)



NONAGRICULTURAL EMPLOYMENT (IN MILLIONS)




MANUFACTURING EMPLOYMENT (IN MILLIONS)
12
EMPLOYMENT
2.2
2.1
2.0
1.9
1.8
1.7
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1.5
1.4
71
72
73
74
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80
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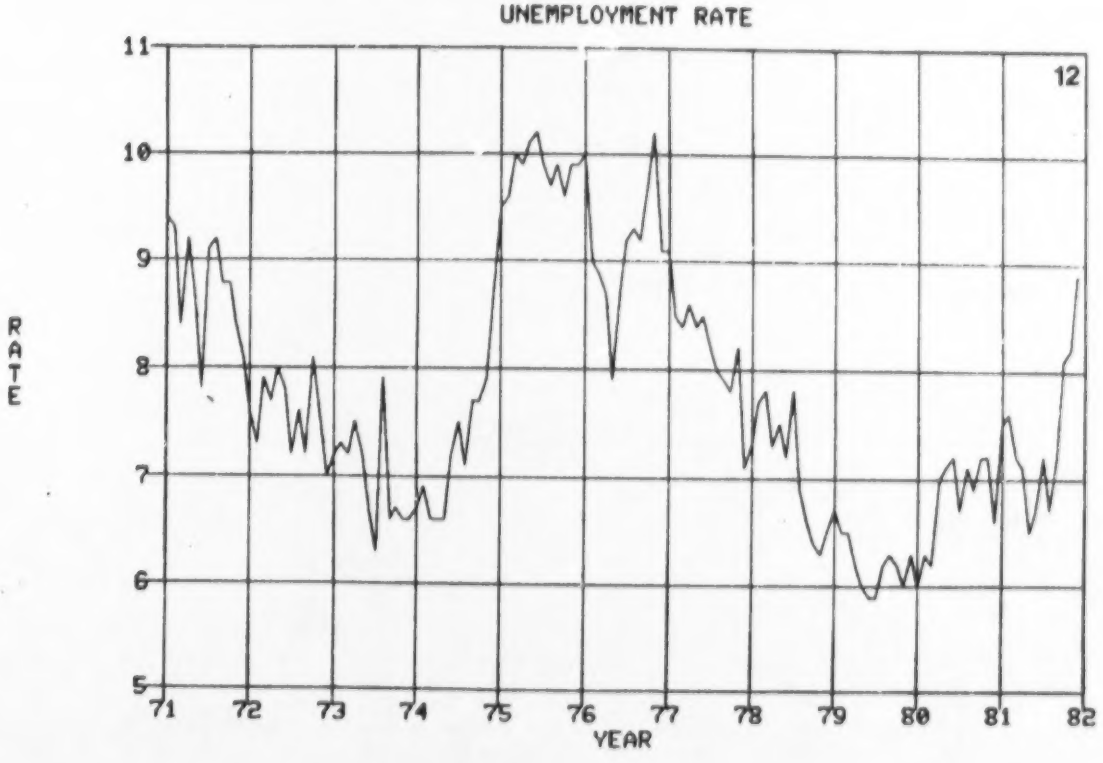
YEAR


UNEMPLOYMENT RATE
12
RATE
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80
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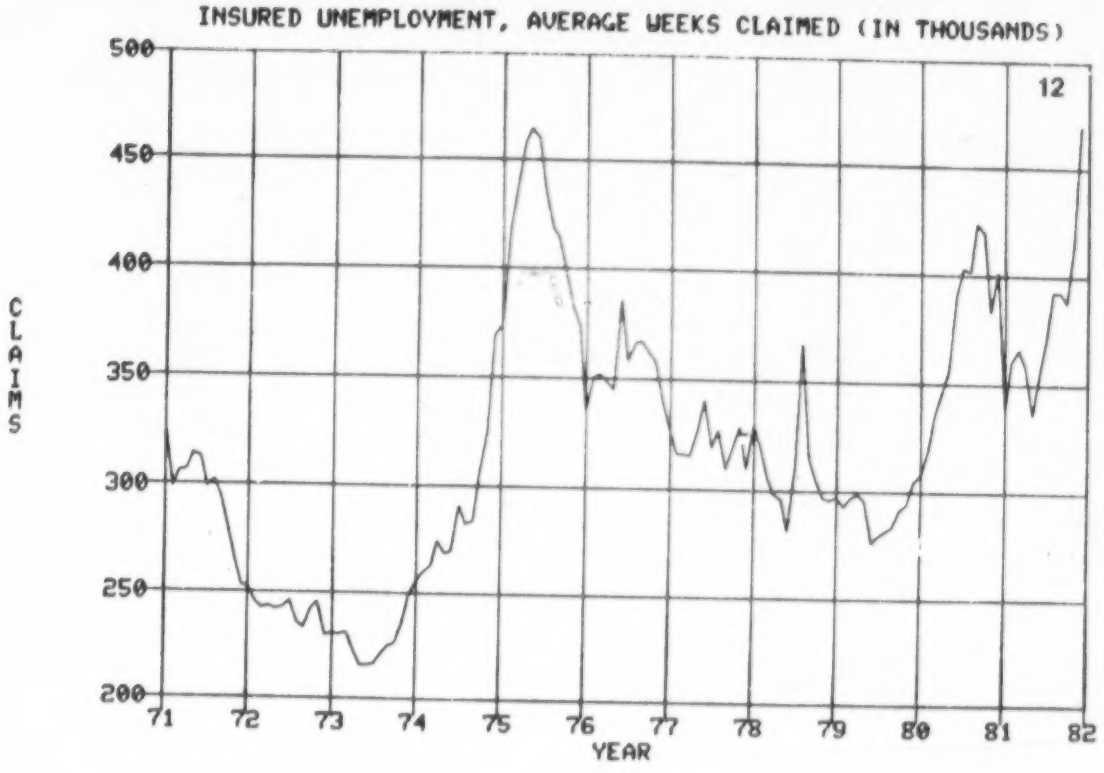
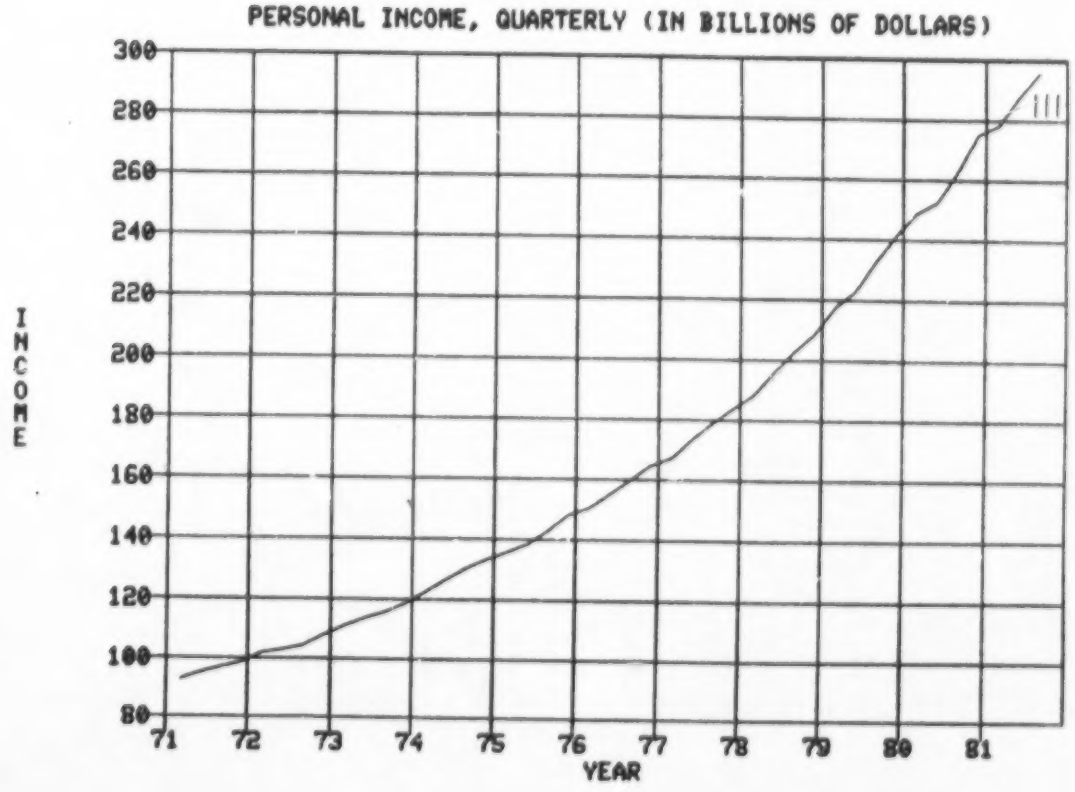
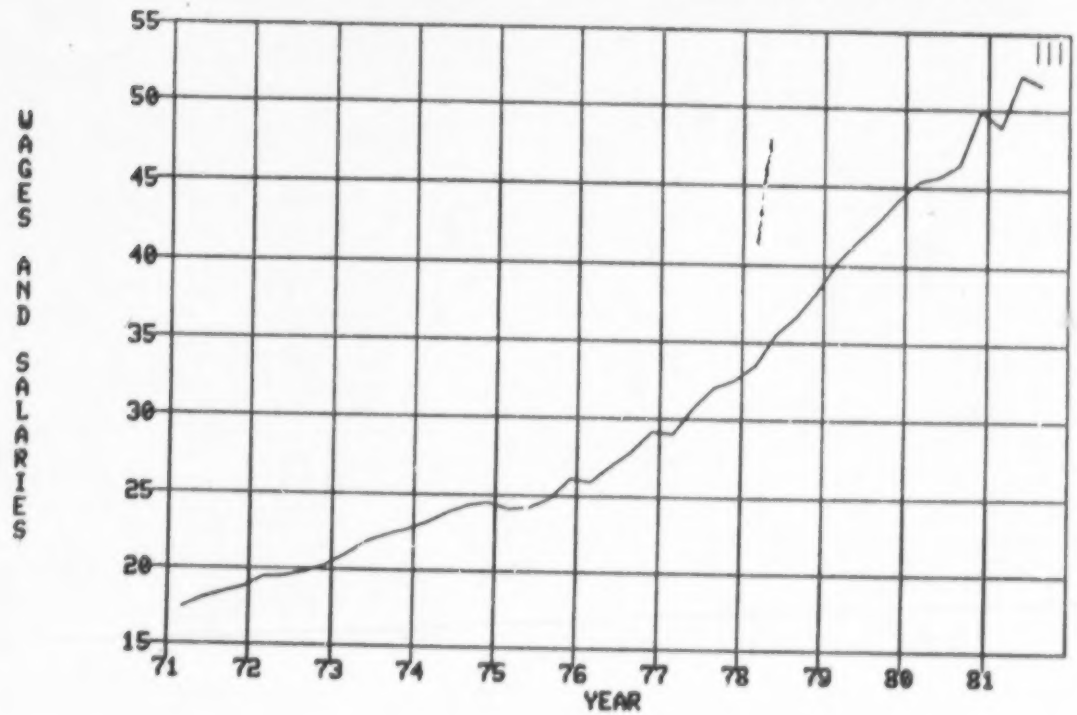
YEAR

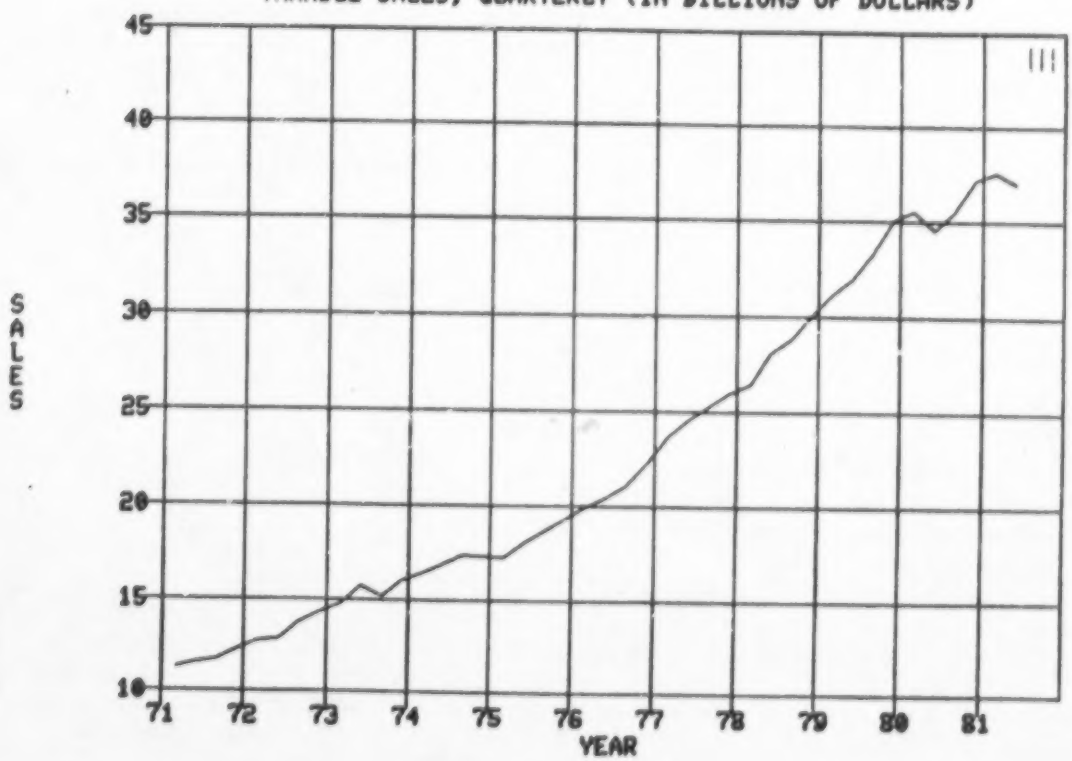

INSURED UNEMPLOYMENT, AVERAGE WEEKS CLAIMED (IN THOUSANDS)
12
CLAIMS
500
450
400
350
300
250
200
71
72
73
74
75
76
77
78
79
80
81
82
YEAR

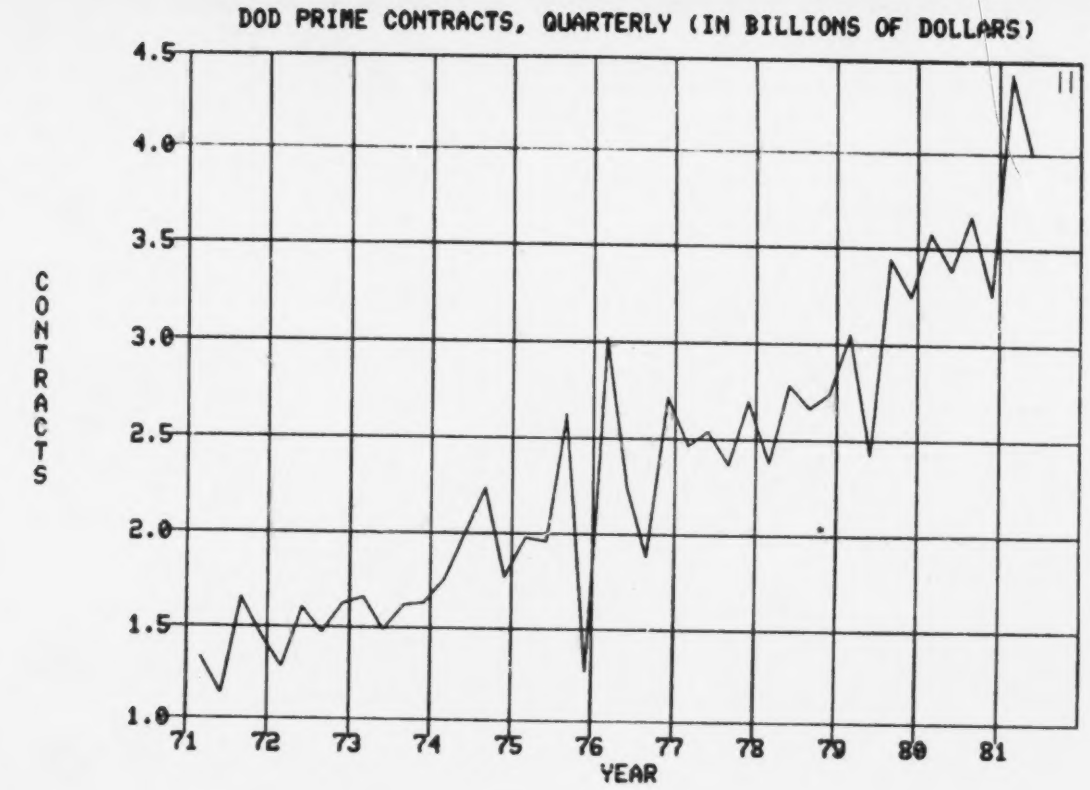

PERSONAL INCOME, QUARTERLY (IN BILLIONS OF DOLLARS)
III
INCOME
300
280
260
240
220
200
180
160
140
120
100
80
71
72
73
74
75
76
77
78
79
80
81
YEAR

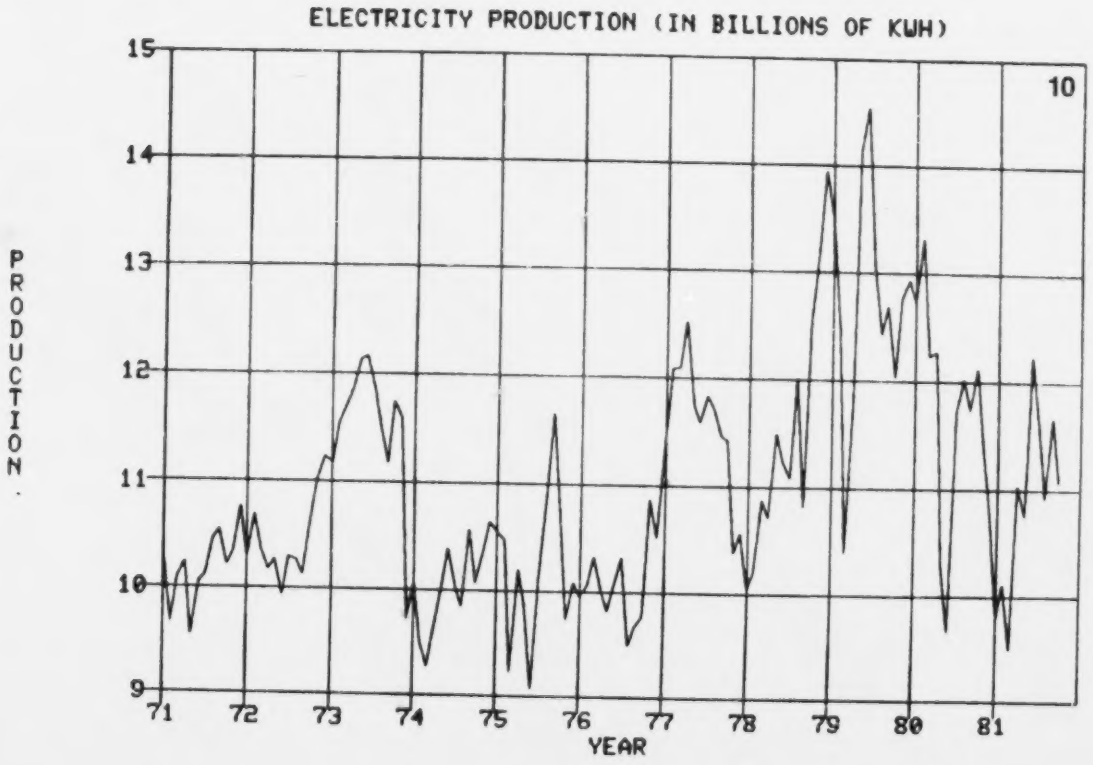
WAGES AND SALARIES FROM MINING, MANUFACTURING, AND CONSTRUCTION, QUARTERLY (IN BILLIONS OF DOLLARS)



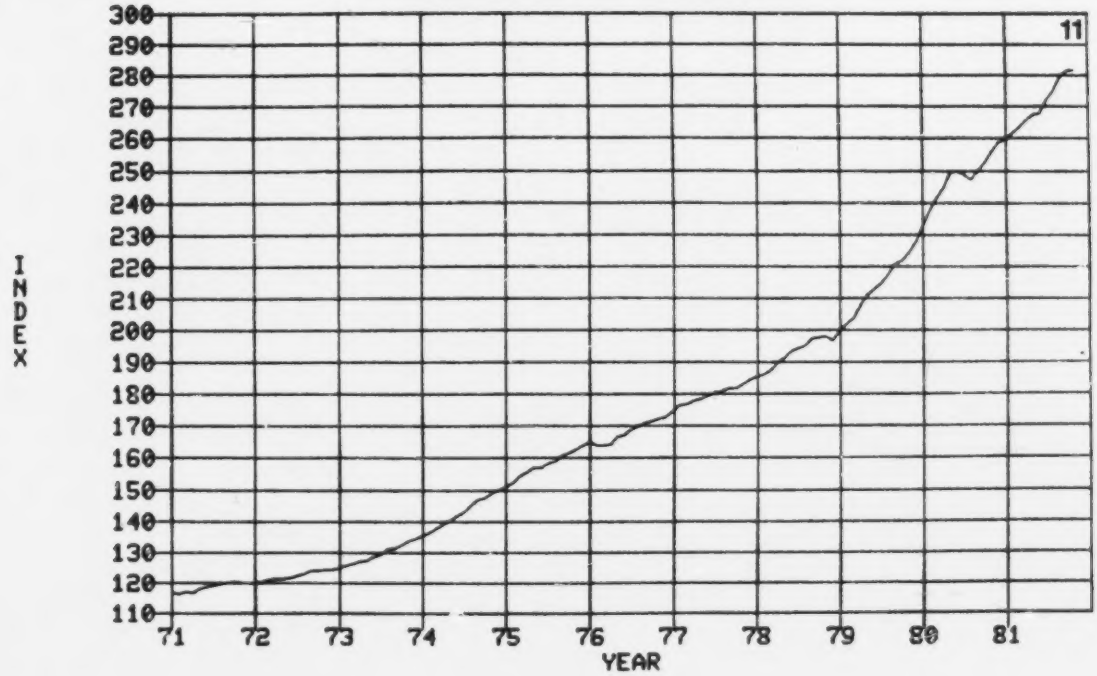
TAXABLE SALES, QUARTERLY (IN BILLIONS OF DOLLARS)



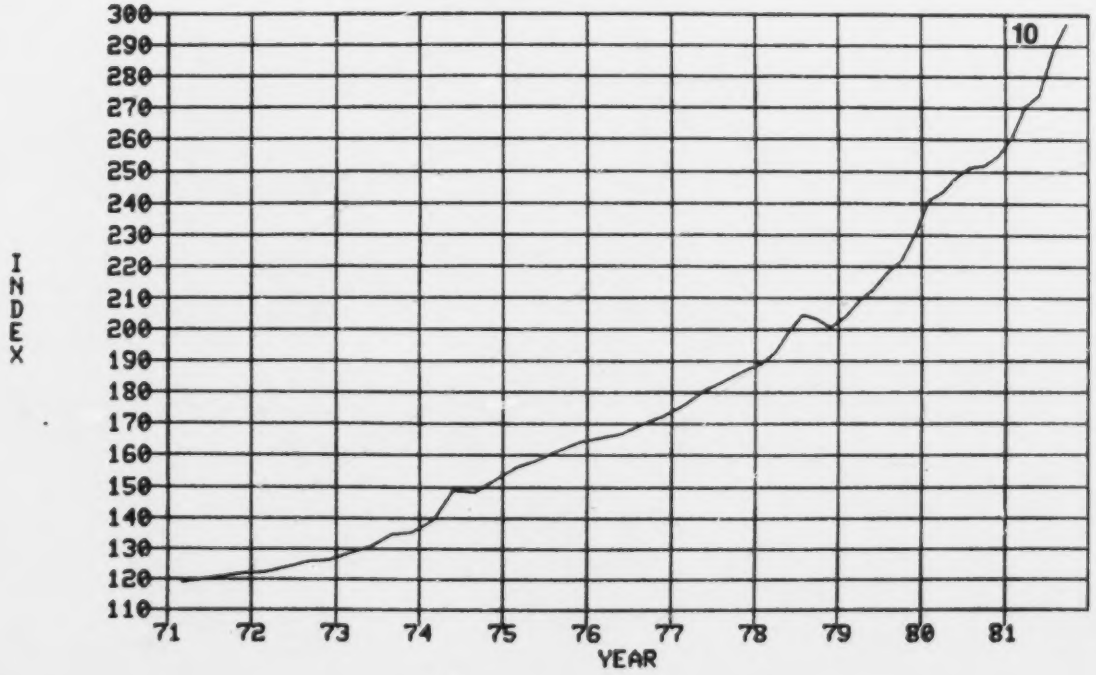

DOD PRIME CONTRACTS, QUARTERLY (IN BILLIONS OF DOLLARS)
11
CONTRACTS
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
71
72
73
74
75
76
77
78
79
80
81
YEAR


ELECTRICITY PRODUCTION (IN BILLIONS OF KWH)
10
PRODUCTION
15
14
13
12
11
10
9
71
72
73
74
75
76
77
78
79
80
81
YEAR

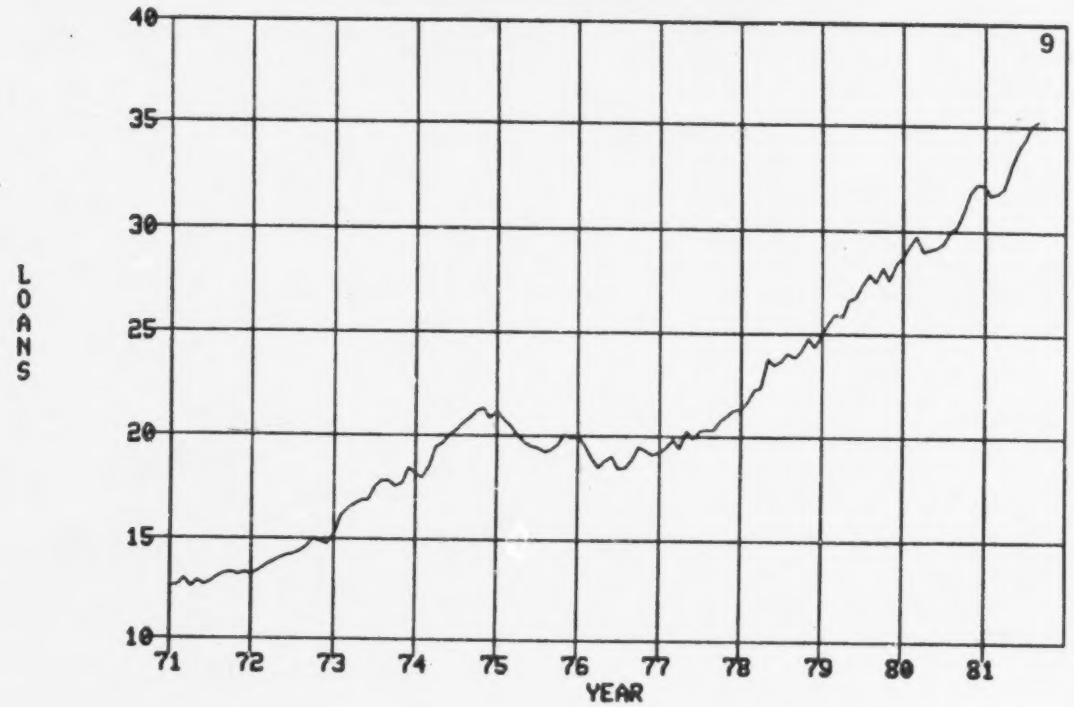
CONSUMER PRICE INDEX, LOS ANGELES
ALL URBAN CONSUMERS (1967=100)



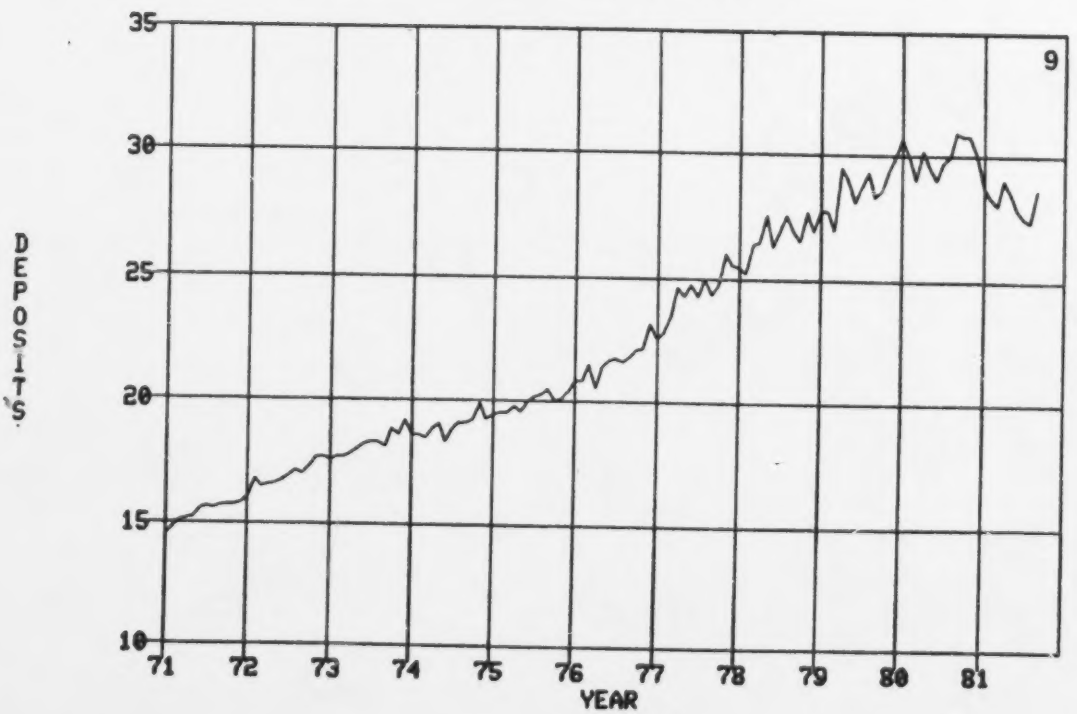
CONSUMER PRICE INDEX, SAN FRANCISCO
ALL URBAN CONSUMERS (1967=100)



CALIFORNIA COMMERCIAL AND INDUSTRIAL LOANS
(IN BILLIONS OF DOLLARS)



CALIFORNIA DEMAND DEPOSITS ADJUSTED
(IN BILLIONS OF DOLLARS)



BASIC DATA FOR CALIFORNIA ECONOMIC SERIES

(Seasonally Adjusted Except as Noted)

Year and Month	Leading Indicators: Index of Leading Indicators (1972=100)	Average Weekly Hours, Manufacturing	Nonagricultural Placements Weekly Avg. (thousands)	Initial Claims for Unemployment Insurance Weekly Avg. (thousands)	Overtime Hours Manufacturing	Private Housing Units Authorized	New Business Incorporations
1978							
July	132.7	40.0	10.4	57.7	3.4	17,819	4,063
August	133.8	40.0	10.8	54.7	3.4	14,127	4,037
September	135.2	40.0	10.5	49.4	3.4	16,317	4,258
October	136.8	40.2	10.7	45.1	3.5	17,012	3,871
November	135.6	40.2	10.7	51.4	3.5	17,402	4,466
December	136.2	40.1	10.6	49.7	3.5	18,081	4,249
1979							
January	138.5	40.3	10.4	49.1	3.7	17,607	4,838
February	138.4	40.4	9.0	50.5	3.6	16,492	4,416
March	140.0	40.0	10.9	50.3	3.4	17,517	4,425
April	135.6	38.6	10.8	54.5	2.6	19,611	4,684
May	140.1	39.9	10.2	47.9	3.2	19,011	4,671
June	141.2	39.9	9.6	48.5	3.3	17,440	4,446
July	142.5	40.1	8.6	47.4	3.5	18,113	4,445
August	143.5	40.0	9.7	47.4	3.4	18,606	4,810
September	144.6	39.8	10.0	48.4	3.3	17,596	4,450
October	144.6	40.0	9.5	51.5	3.3	18,027	4,736
November	145.3	39.8	10.2	51.2	3.6	15,262	4,857
December	145.4	40.0	10.0	52.5	3.2	13,130	4,619
1980							
January	145.8	39.6	9.2	56.1	3.2	13,773	4,796
February	148.5	39.6	9.0	54.7	3.1	15,440	5,411
March	145.3	39.7	9.0	58.8	3.2	10,136	4,505
April	142.2	39.6	8.7	59.2	3.0	9,354	4,627
May	139.5	39.5	8.2	61.5	3.0	7,540	4,200
June	140.5	39.4	7.4	61.7	2.7	10,084	3,998
July	142.4	39.3	7.1	60.5	2.8	13,069	4,453
August	144.4	39.4	6.9	57.8	2.9	11,974	4,470
September	147.4	39.5	7.6	58.1	3.0	15,942	4,755
October	148.0	39.3	7.2	55.1	3.0	13,581	5,269
November	151.3	39.6	7.8	54.8	3.1	12,224	4,573
December	151.0	39.7	7.4	58.0	3.2	11,858	5,319
1981							
January	153.8	40.0	8.5	52.3	3.2	10,336	4,903
February	155.6	39.8	8.0	53.2	2.8	11,701	5,363
March	155.2	39.5	8.3	58.4	3.0	10,024	4,926
April	155.2	39.6	7.8	54.0	2.7	13,264	5,226
May	156.7	39.9	8.4	55.4	3.1	10,852	4,618
June	157.0	39.8	8.9	53.4	2.9	9,459	5,336
July	153.6	39.4	8.3	59.3	3.0	8,584	4,871
August	152.8	39.8	7.3	59.1	3.0	6,472	4,320
September	150.0	39.4	6.3	63.7	3.0	7,557	5,190
October	146.0	39.4	6.3	65.5	2.7	5,892	4,745
November		39.8		67.8	2.7	5,439	4,553
December		39.7		60.9	2.7	5,509	5,016
1982							
January		40.0		57.6	2.7	5,520	4,105

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	Coincident Indicators						Other Indicators
	Nonagricultural Employment (thousands)	Wages and Salaries in Mining, Manufacturing and Construction (mil dol.)a/	Unemployment Rate	Insured Unemployment Average Weeks Claimed (thousands)	Personal Income (mil dol.)a/	Taxable Sales (mil dol.)b/	Manufacturing Employment (thousands)
1978							
July	9,186.8		7.8	310			1,883.8
August	9,222.9	36,650	6.9	367	202,806	28,904	1,898.5
September	9,285.5		6.6	315			1,908.4
October	9,326.5		6.4	306			1,921.6
November	9,379.2	38,189	6.3	297	208,438	29,866	1,940.3
December	9,411.4		6.5	296			1,951.1
1979							
January	9,494.4		6.7	297			1,970.7
February	9,531.8	40,180	6.5	293	217,444	31,041	1,979.2
March	9,573.8		6.5	297			1,988.1
April	9,557.5		6.2	299			1,989.9
May	9,607.2	41,533	6.0	295	222,892	32,140	1,998.5
June	9,626.4		5.9	276			2,001.3
July	9,680.5		5.9	280			2,009.5
August	9,714.8	42,772	6.2	282	232,363	33,410	2,010.1
September	9,736.8		6.3	284			2,004.2
October	9,782.0		6.2	291			2,021.3
November	9,823.4	44,256	6.0	294	241,225	34,893	2,029.2
December	9,841.4		6.3	305			2,031.4
1980							
January	9,851.7		6.0	308			2,034.5
February	9,905.8	45,332	6.3	319	248,371	35,375	2,037.6
March	9,900.3		6.2	335			2,033.9
April	9,881.4		7.0	346			2,021.0
May	9,850.0	45,693	7.1	356	252,420	34,704	2,001.6
June	9,813.2		7.2	391			1,984.1
July	9,842.6		6.7	403			1,985.1
August	9,853.8	46,470	7.1	402	262,283	35,661	1,994.2
September	9,890.3		6.9	423			1,988.9
October	9,938.8		7.2	420			2,008.6
November	9,932.1	49,946	7.2	384	275,130	36,942	2,003.7
December	9,977.0		6.6	402			2,011.8
1981							
January	10,030.5		7.5	338			2,019.2
February	10,026.8	48,927	7.6	361	278,802r/	37,618	2,021.2
March	10,023.6		7.2	366			2,023.8
April	10,068.5		7.1	359			2,021.1
May	10,081.2	51,873r/	6.5	336	286,714r/	36,996	2,017.1
June	10,091.6		6.7	353			2,005.3
July	10,090.9		7.2	372			2,005.5
August	10,110.2	52,177r/	6.7	393	295,638r/		2,000.1
September	10,109.6		7.2	393			1,981.8
October	10,123.2		8.1	388			
November	10,119.4	53,843	8.2	416	306,147		
December	10,103.9		8.6	470			
1982							
January			8.7				

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	DOD Prime Contracts (mil dol.)b/	Other Indicators: Consumer Price Index (1967=100)c/ San Francisco: Wage Earner and Clerical Worker	San Francisco: All Urban	Los Angeles: Wage Earner and Clerical Worker	Los Angeles: All Urban	California Commercial and Industrial Loans (mil dol.)	California Demand Deposits Adjusted (mil dol.)	Electricity Production (mil KWH)
1978								
July		--	--	194.3	194.3	23,727	27,057	11,079
August	2,662	204.0	204.7	194.7	194.9	24,061	27,550	11,998
September		--	--	196.9	197.3	23,853	26,931	10,825
October		202.6	203.2	197.2	197.8	24,178	26,545	12,545
November	2,737	--	--	197.5	198.1	24,790	27,695	13,202
December		200.4	200.8	197.0	197.1	24,390	26,956	13,933
1979								
January		--	--	199.7	199.6	24,955	27,782	13,498
February	3,053	204.2	203.9	202.3	201.9	25,563	27,761	12,435
March		--	--	204.4	203.8	25,917	27,011	10,402
April		209.3	208.8	208.8	207.8	25,836	29,474	11,829
May	2,424	--	--	212.4	211.0	26,618	29,038	14,132
June		213.7	212.5	214.5	212.9	26,786	28,141	14,539
July		--	--	216.8	214.7	27,380	28,715	13,082
August	3,441	218.6	218.3	219.6	217.5	27,864	29,326	12,442
September		--	--	223.0	220.7	27,517	28,360	12,687
October		220.8	221.5	224.0	221.8	28,191	28,613	12,039
November	3,251	--	--	225.8	224.2	27,628	29,341	12,768
December		229.0	230.2	229.9	228.0	28,396	29,951	12,938
1980								
January		--	--	235.0	232.6	28,763	30,657	12,731
February	3,575	240.0	240.7	240.0	237.6	29,315	29,968	13,310
March		--	--	243.9	241.3	29,691	29,037	12,229
April		242.8	243.5	247.8	244.6	28,966	30,185	12,268
May	3,388	--	--	252.6	249.1	29,091	29,577	10,291
June		247.7	248.0	253.4	250.1	29,203	29,049	9,675
July		--	--	251.5	248.7	29,414	29,714	11,715
August	3,666	251.4	251.0	250.1	247.3	29,979	29,981	12,019
September		--	--	251.6	249.6	30,175	30,939	11,738
October		252.6	251.9	254.9	252.6	30,961	30,809	12,115
November	3,259	--	--	258.4	255.5	31,832	30,802	11,364
December		255.7	254.9	262.2	258.7	32,213	30,041	10,718
1981								
January		--	--	262.7	259.4	32,168	28,806	9,786
February	4,435	261.6	260.5	265.0	261.6	31,730	28,371	10,114
March		--	--	266.5	263.3	31,822	28,066	9,503
April		270.9	270.3	269.1	265.5	32,050	29,062	11,022
May	4,001	--	--	270.7	267.3	33,120	28,542	10,756
June		274.3	274.0	271.7	267.9	33,882	27,891	12,234
July		--	--	276.3	272.2	34,365	27,533	11,556
August		287.2	287.9	278.6	274.8	35,035	27,385	10,918
September		--	--	282.9	279.3	35,295	28,657	11,662
October		295.6	297.0	284.9	281.3			11,055
November		--	--	285.5	281.8			
December		292.7	294.0	286.1	282.3			
1982								10,685
January		--	--	289.8	285.6			10,493

a/Quarterly data, annual basis.
b/Quarterly data.
c/Not adjusted for seasonal variation.
r/Revised

CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national events of general interest have also been included.

1961

February 17-23	National airline strike.
March 9-13	California dock strike by Teamsters.
May 5	Minimum wage legisation signed: $1.15 for 2 years, $1.25 thereafter.
June 16-July 4	National maritime strike. Strike resumed September 28-October 12 against owners of 1/3 West Coast merchant fleet.
August 11	Duty exemption for U.S. travelers returning from abroad cut from $500 to $100.
August 26	American Motors Corporation--UAW profit-sharing pact announced.
September 6-24	UAW-GM strike.
October 3-15	UAW-Ford strike.

1962

January 1	Federal Reserve Board and Federal Deposit Insurance Corporation authorize commercial banks to raise interest rates to 3-1/2 percent on all savings and time deposits of six months or longer, and to 4 percent on deposits of one year or more.
March 16-April 11	West Coast maritime strike.
May 1-June 26	Northern California construction strike. Southern California strike, June 18-27. San Diego strike, June 21-July 10.
May 28	"Blue Monday." Dow Jones Industrial Average dow 34.95 points, sharpest drop since October 28, 1929. Week of May 21-25: average down 38.82, largest one-week decline on record.
July 10	Stock margin requirements cut from 70 percent to 50 percent.
July 11	Revision of depreciation schedules announced by Treasury.

1963

October 18	Commercial bank reserve requirements against time deposits reduced from 5 percent to 4 percent.
June 5	Silver backing for Treasury silver certificates removed to ease pressure on silver prices. Sale of silver from Treasury stockpile started September 12.
July 17	Discount rate raised from 3 percent to 3-1/2 percent.
November 5	Stock margin requirements raised from 50 percent to 70 percent.
November 22	President Kennedy assassinated.

1964

February 26	Federal income tax cut measure signed into law. Reflected in withholding rates effective March 5. Individual tax rates cut from 20 percent to 91 percent range to 14 percent to 70 percent range. Corporation reduction to 48 percent from 52 percent.
September 25-November 8	UAW strike against GM.
November 23	Discount rate increased from 3-1/2 percent to 4 percent.
December 22-24	Northern Calfornia floods.

1965

March 1-23	Strike by steel workers at American and Continental can companies.
June 16-August 7	Northern California construction strike.
June 17-July 19	Southern California construction strike.
August 11-17	Los Angeles riots, Watts area.
December 6	Discount rate raised from 4 percent to 4-1/2 percent.

1965--Continued

December 13	Permitted interest on savings accounts raised from 4-1/2 percent to 5-1/2 percent under Regulation Q.

1966

January 1	Increased social security taxes in effect.
February 8	FHA interest rate raised from 5-1/4 percent to 5-1/2 percent, no change in 1/2 percent loan insurance rate.
March 11	Prime rate raised from 5 percent to 5-1/2 percent in Eastern financial markets.
March 16	Auto excise tax raised from 6 percent to 7 percent.
April 1	Telephone excise tax of 10 percent reinstated.
April 12	FHA interest rate increased from 5-1/2 percent to 5-3/4 percent.
May 1	Increased withholding tax rates in effect.
June 30	Prime rate raised from 5-1/2 percent to 5-3/4 percent in New York, Chicago.
July 8-August 20	Airline strike.
August 16	Prime rate up to 6 percent, Eastern cities.
October 3	FHA interest rate raised from 5-3/4 percent to 6 percent.
October 10	Suspension of 7 percent investment credit and accelerated depreciation allowance.

1967

January 26	Prime rate lowered from 6 percent to 5-1/2 percent.
February 1	Minimum wage increased to $1.40 from $1.25 per hour.
March 9	Investment tax credit and accelerated depreciation allowance reinstated.
April 7	Discount rate lowered from 4-1/2 percent to 4 percent.

1967--Continued

April 21-July 26	Rubber strike.
July 15-March 20, 1968	Copper strike.
August 30	Steel price rises announced.
September 6-October 25	UAW strike against Ford.
November 20	Discount rate raised from 4 percent to 4-1/2 percent. Prime rate increased from 5-1/2 percent to 6 percent.
December 15	Los Angeles (Herald Examiner) newspaper strike.
December 27	Increase of 1/2 percent in reserve requirements announced. Effective in two stages during January 1968.

1968

January 1	Wage base for social security contributions raised from $6,600 to $7,800.
January 5-February 25	San Francisco newspaper strike.
February 1	Minimum wage increased to $1.60 from $1.40 per hour.
March 1	Increase in social security benefit payments, averaging 13 percent.
March 15	Discount rate raised from 4-1/2 percent to 5 percent. San Francisco increase effective March 18; New York up March 22. Highest level since 1929.
March 15-April 1	Trading in London gold market suspended. Two-price system for gold effective March 18 by London gold pool countries.
April 1	Personal income tax surcharge. See June 28.
April 1-June 13	San Francisco area machinists and electrical workers strike.
April 19	Discount rate raised to 5-1/2 percent. Prime rate increased from 6 percent to 6-1/2 percent.
May 7	FHA interest rate raised from 6 percent to 6-3/4 percent.
May 16	UAW suspended from AFL-CIO.

1968--Continued

June 8	Stock margin requirements raised from 70 percent to 80 percent.
June 28	Tax surcharge and $6 billion Federal spending cut legislation signed by President Johnson. 10 percent surcharge retroactive to April 1 for individuals, January 1 for corporations.
July 15	Increased personal income tax withholding in effect.
August 16-29	Federal reserve discount rate lowered from 5-1/2 percent to 5-1/4 percent.
September 25	Prime rate lowered from 6-1/2 percent to 6 percent by Chase Manhattan. (Subsequent reduction by other banks to 6-1/4 percent. Chase Manhattan rate raised to 6-1/4 percent effective November 13.)
December 2	Prime rate raised from 6-1/4 percent to 6-1/2 percent.
December 18	Federal Reserve discount rate raised from 5-1/4 percent to 5-1/2 percent. Prime rate raised from 6-1/2 percent to 6-3/4 percent.

1969

January 1	Social security contribution rate increased to combined 9.6 percent.
January 7	Prime rate raised from 6-3/4 percent to 7 percent.
January 24	FHA interest rate raised from 6-3/4 percent to 7-1/2 percent.
March 17	Prime rate raised from 7 percent to 7-1/2 percent.
April 3	Discount rate raised from 5-1/2 percent to 6 percent; reserve requirement raised.
June 9	Prime rate raised from 7-1/2 percent to 8-1/2 percent.
June 12	Required liquidity reserves of savings and loan associations lowered from 6-1/2 percent to 6 percent.

1970--Continued

October 27-February 1970	General Electric strike.

1970

January 1	Personal income tax surcharge reduced to 5 percent. Withholding cut.
January 5	FHA interest rate raised from 7-1/2 percent to 8-1/2 percent.
January 21	Increased schedule of interest rates on time deposits and certificates of deposit in effect.
March 25	Prime rate reduced from 8-1/2 percent to 8 percent.
April 2-June 2	Teamster strike.
May 6	Stock margin requirement cut from 80 percent to 65 percent.
July 1	Personal income tax surcharge removed.
September 14-November 23	UAW strike against GM.
September 22	Prime rate reduced from 8 percent to 7-1/2 percent.
November 10	Discount rate reduced from 6 percent to 5-3/4 percent.
November 12	Prime rate reduced from 7-1/2 percent to 7-1/4 percent.
November 23	Prime rate reduced from 7-1/4 percent to 7 percent.
December 1	Discount rate reduced from 5-3/4 percent to 5-1/2 percent. FHA interest rate reduced from 8-1/2 percent to 8 percent.
December 20	13-week extended duration unemployment benefits in effect.
December 22	Prime rate reduced from 7 percent to 6-3/4 percent.

1971

January 6	Prime rate reduced from 6-3/4 percent to 6-1/2 percent.

1971--Continued

January 8	Discount rate reduced from 5-1/2 percent to 5-1/4 percent.
January 12	FHA interest rate reduced from 8 percent to 7-1/2 percent.
January 15	Prime rate reduced from 6-1/2 percent to 6-1/4 percent.
January 18	Prime rate reduced from 6-1/4 percent to 6 percent.
January 19	Discount rate reduced from 5-1/4 percent to 5 percent.
February 4	Rolls Royce bankruptcy announced.
February 9	Los Angeles earthquake.
February 12	Discount rate reduced from 5 percent to 4-3/4 percent.
February 16	Prime rate reduced from 6 percent to 5-3/4 percent.
February 23	Davis Bacon Act regulating construction wages on Federal projects suspended. Suspension revoked on March 29. Wage-price curbs ordered.
March 16	Prime rate reduced from 5-3/4 percent to 5-1/2 percent.
March 17	Social security bill signed. Benefits raised 10 percent, retroactive to Jaunary 1, 1971. Contribution base raised to $9,000 effective January 1, 1972.
March 25	SST program terminated.
April 1	Interest rates on savings accounts in California banks generally reduced from 4-1/2 percent to 4 percent.
April 23	Prime rate raised from 5-1/4 percent to 5-1/2 percent.
May 1	Liquidity ratio for savings and loan associations raised from 6-1/2 percent to 7-1/2 percent.
May 17-18	Rail strike.
June 1-July 27	Communications workers strike against Western Union.

1971--Continued

June 15-21	Prime rate increased from 5-1/2 percent to 5-3/4 percent. General rise to 6 percent on July 7.
June 29-July 16	Northern California construction strike.
July 1-October 6	West Coast dock strike.
July 14-August 2	Telephone strike.
July 15	Discount rate raised from 4-3/4 percent to 5 percent.
July 16-August 2	Rail strike.
July 31	Steel strike averted by accord on contract.
August 2	Lockheed loan guarantee approval.
August 3	Teamsters walkout in Northern California against building contractors.
August 15-November 13	President's economic policy message; 90-day wage-price freeze in effect.
October 1	East and Gulf Coast longshoremen's strike.
October 20	Prime rate reduced from 6 percent to 5-3/4 percent. Further reduction to 5-1/2 percent on November 4.
November 11	Discount rate reduced from 5 percent to 4-3/4 percent.
November 14	Phase II of NEP in effect.
December 6	Stock margin requirements cut from 65 percent to 55 percent.
December 10	Revenue Act of 1971 signed into law.
December 13	Discount rate reduced from 4-3/4 percent to 4-1/2 percent. Prime rate lowered from 5-1/2 percent to 5-1/4 percent.*
	Intent to devalue U.S. dollar announced.

* Adoption of a floating prime rate in November 1971 has resulted in frequent minor adjustments in the rate. Information on the range of rates at any one time and the rate charged by the majority of commercial banks may be obtained from the Federal Reserve Bulletin.

1972

January 17-February 20	West Coast dock strike continued.
February 1-March 15	Kaiser Steel Company strike.
July 1	20 percent increase in social security benefits signed into law. Effective September.
September 11	Opening of BART Fremont-Oakland line.
September 21	"Friends of Mammoth" decision.
November 24	Stock margin requirements raised to 65 percent.

1973

January 11	Phase III of NEP in effect.
January 15	Discount rate raised from 4-1/2 percent to 5 percent.
January 27	Viet Nam cease fire signed.
January 29	Opening of BART Richmond-Oakland line.
February 12	10 percent devaluation of U.S. dollar announced.
March 2	Major foreign currency exchanges closed.
March 29	Price controls of meat announced.
April 9-13	Consumer meat boycott.
April 23	Discount rate raised from 5-1/2 percent to 5-3/4 percent.
May 10	Discount rate raised from 5-3/4 percent to 6 percent.
June 11	Discount rate raised from 6 percent to 6-1/2 percent.
June 14	60-day price freeze announced.
July 2	Discount rate raised from 6-1/2 percent to 7 percent. Increased reserve requirement on net demand deposits.
July 6	Interest rates increased: FHA mortgage rate: 7 percent to 7-3/4 percent; bank savings rate: 4-1/2 percent to 5 percent; savings and loan rate: 5 percent to 5-1/4 percent.

1973--Continued

July 18	Phase IV announced.
August 27	Prime rate at 9-3/4 percent in major institutions.
October 17	Arab nations announce reductions in oil shipment.
November 5-December 18	TWA strike.

1974

January 3	Stock margin requirements cut from 65 percent to 50 percent.
February 1-11	Independent truckers strike, midwest and east coast.
February 15	Prime rate reduced to 9 percent.
February 22	Prime rate reduced to 8-3/4 percent.
March 4	California minimum wage increased to $2.00 per hour from $1.65.
March 18	Arab oil embargo lifted.
March 27	Prime rate increased to 9 percent from 8-3/4 percent.
March 28	Prime rate further increased to 9-1/2 percent.
April 25	Federal Reserve raised discount rate to 8 percent from 7-1/2 percent.
April 29	Prime rate up to 10-3/4 percent.
April 30	Phase IV controls lifted in approximately 165 sectors of the economy.
June 17-August 4	San Diego construction strike.
June 17-July 21	Northern California construction strike.
July 1-Mid-August	Southern California construction strike.
July 1	Transit strikes, San Francisco Bay Area.
August 2-October 21	Los Angeles area transit strike.
August 8	Resignation of President Nixon announced.

1974--(Continued)

August 14 — FHA mortgage rate raised to 9-1/2 percent.

Prime rate reduced from 12 percent to 11-3/4 percent on limited basis. Prevailing rate on date of major changes:

October 21....11 1/2 percent
October 28....11 1/4 percent
November 4....11 percent
November 14...10 3/4 percent
November 25...10 1/2 percent

October 8 — Prime rate reduced from 12 percent to 11-3/4 percent by several more large banks.

November 12-December 9 — Coal strike.

December 9 — Discount rate reduced from 8 percent to 7-3/4 percent.

1975

January 6 — Federal Reserve discount rate cut from 7-3/4 percent to 7-1/4 percent.

January 10 — Oil Chemical Atomic Workers Union strike.

January 13 — Prime rate reduced to 10 percent. Further major cuts as follows:

Jannuary 21.....9 3/4 percent
January 31.....9 percent
February 6.....8 3/4 percent
February 19.....8 1/2 percent
March 3.....8 1/4 percent
March 8.....8 percent

January 21 — FHA mortgage rate reduced from 9 percent to 8-1/2 percent.

February 5 — Federal Reserve discount rate cut from 7-1/4 percent to 6-3/4 percent.

March 10 — Federal Reserve discount rate cut from 6-3/4 percent to 6-1/4 percent.

March 24 — Prime rate reduced to 7-1/2 percent by most major banks.

March 25 — King Faisal assassinated.

March 29 — Tax reduction act signed into law.

May 19 — Prime rate reduced to 7-1/4 percent by several major banks.

June 10 — Prime rate reduced to 7 percent by most banks.

1975--Continued

July 18 — Prime rate increased to 7-1/4 percent. Further gains as follows:

July 25.....7-1/2 percent
August 11.....7-3/4 ercent
September 15....8 percent

September 1 — National Airlines strike.

October 16 — Reserve requirement on time deposits reduced from 3 percent to 1 percent.

October 24 — Prime rate reduced to 7-3/4 percent. Further reductions as follows:

October 31.....7-1/2 percent
November 21.....7-1/4 percent

December 5-19 — United Airlines strike.

1976

January 12 — Prime rate lowered to 7 percent.

January 19 — Federal Reserve discount rate lowered from 6 percent to 5-1/2 percent.

January 21 — Prime rate reduced to 6-3/4 percent.

April 1-3 — Teamsters strike.

April 9-June 4 — Prime rate moving upward, 6-3/4 percent to 7-1/4 percent at most major banks.

April 21 — Rubber workers strike.

July 20-August 2 — Cannery workers strike.

August 2 — Prime rate reduced to 7 percent. Further reductions as follows:

October 4.....6-3/4 percent
October 29.....6-1/2 percent
December 10.....6-1/4 percent

September 15-October 13 — Auto workers strike.

October 18 — California minimum wage raised to $2.50 per hour.

December 22 — Prime rate reduced to 6 percent by Chase Manhattan Bank. Most banks maintain a prime rate of 6-1/4 percent.

1977

May 16 — Prime rate raised to 6-1/2 percent.

1977--Continued

May 31	Prime rate raised to 6-3/4 percent.
August 22	Prime rate raised to 7 percent.
August 30	Federal Reserve discount rate raised from 5-1/4 percent to 5-3/4 percent, the first increase since April 1974.
September 16	Prime rate raised to 7-1/4 percent.
October 1-November 24	Longshoremen's strike against East and Gulf Coast ports.
October 7	Prime rate raised to 7-1/2 percent.
October 10-January 4	IAM-Lockheed strike.
October 24	Prime rate raised from 7-1/2 percent to 7-3/4 percent.
October 26	Discount rate raised from 5-3/4 percent to 6 percent.
December 6-March 24	United Mine Workers strike.

1978

January 1	U.S. minimum wage increased to $2.65 per hour.
January 9	Discount rate raised from 6 percent to 6-1/2 percent.
January 10	Prime rate raised to 8 percent.
February 28	FHA mortgage rate raised from 8-1/2 percent to 8-3/4 percent.
April 1	California minimum wage increased from $2.50 to $2.65 per hour.
April 1-May 28	United Airlines strike.
May 4	Prime rate raised from 8 percent to 8-1/4 percent.
May 8	California savings and loan assocations raised mortgage rates from 9-3/4 percent to 10 percent.
May 12	Discount rate raised to 7 percent.

1978--Continued

May 23	Federal funds rate increased to 7-1/2 percent.
	FHA-VA mortgage rate raised from 8-3/4 percent to 9 percent.
May 26	Prime rate raised from 8-1/4 percent to 8-1/2 percent.
June 6	Proposition 13 approved by California voters.
June 16	Prime rate raised to 8-3/4 percent.
June 20	OPEC announced a freeze on crude oil prices until December 16.
June 22	Federal funds rate raised from 7-1/2 percent to 7-3/4 percent.
June 29	FHA-VA mortgage rate raised to 9-1/2 percent.
June 30	Prime rate raised to 9 percent.
July 10	Discount rate raised to 7-1/4 percent.
July 18	Teamsters union strike affecting supermarkets throughout Northern California.
August 20	Retail clerks union strike in Southern California.
August 21	Discount rate raised to 7-3/4 percent.
August 29	Federal funds rate raised from 8-1/8 percent to 8-1/4 percent.
August 31	Prime rate raised by some eastern banks from 9 percent to 9-1/4 percent.
September 15	Prime rate raised to 9-1/2 percent.
September 22	Discount rate raised from 7-3/4 percent to 9-3/4 percent.
September 28	Prime rate raised from 9-1/2 percent to 9-3/4 percent.
October 12	Prime rate raised from 9-3/4 percent to 10 percent.

1978--Continued

October 15	Tax cut and energy bills passed by Congress.
October 16	Discount rate raised from 9 percent to 8-1/2 percent.
October 18	Federal funds rate raised from 8-3/4 percent to 8-7/8 percent.
October 24	Prime rate raised from 10 percent to 10-1/4 percent.
	California mortgage rates raised from 10 percent to 10-1/4 percent at several savings and loan institutions.
October 24	Phase II announced: voluntary guidelines on wages and prices.
November 1	Discount rate raised from 8-1/2 percent to 9-1/2 percent.
	Prime rate raised to 10-1/2 percent.
November 3	Prime rate raised from 10-1/2 percent to 10-3/4 percent.
November 13	Prime rate raised from 10-3/4 percent to 11 percent.
November 24	Prime rate raised to 11-1/2 percent.
November 27	Federal funds rate raised from 9-3/4 percent to 9-7/8 percent.
December 4	Rollover for 6-month certificates of deposit (CDs) began this week.
December 19	Federal funds rate raised to 10 percent.
December 20	Prime rate raised to 11-3/4 percent.

1979

January 1	U.S. minimum wage increased to $2.90 per hour.
January 13	Prime rate reduced to 11-1/2 percent.
March 15	Terms for MMCs changed. 1/4 point differential over 9 percent eliminated.

1979--Continued

March 27	OPEC price increases: 9 percent. Selected surcharges imposed.
March 31	United Airlines-machinist strike.
April 1-10	Teamsters strike.
May 7	Prime rate moved to 11-3/4 percent from 11-1/2 percent.
May 19	Federal funds rate set at 7-1/4 percent.
May 26	United Airlines strike ended.
May 30	Interest rate on conventional mortgages raised to 11-3/4 percent.
June 12	Prime rate reduced to 11-1/2 percent.
July 1	Interest rates on passbook accounts up to 5.5 percent at Savings and Loans and 5.25 percent for banks.
July 20	Discount rate raised from 9-1/2 percent to 10 percent.
August 16	Discount rate raised to 10-1/2 percent.
August 24	Federal funds rate raised from 11 percent to 11-1/4 percent.
August 26-September 10	Los Angeles Rapid Transit District strike.
August 28	Prime rate raised from 12 percent to 12-1/4 percent.
August 31-November 21	BART strike.
September 4	Federal funds rate raised from 11-1/percent

1980

February 25	Prime rate raised to 16-1/2 percent.
February 27	Ceilings on interest rates for government backed mortgages raised to 13 percent.
February 29	Prime rate raised to 16-3/4 percent.

1980--Continued

March 4	Prime rate raised to 17-1/4 percent.
March 7	Prime rate raised to 17-3/4 percent.
March 13	Prime rate raised to 18-1/4 percent.
March 14	Announcement of tighter fiscal policies.
March 18	Prime rate raised to 19 percent.
April 2	Prime rate raised to 20 percent.
April 3	FHA mortgages raised to 14 percent.
April 20	Prime rate reduced to 19-1/2 percent.
April 28	FHA mortgages reduced to 13 percent.
	Prime rate reduced to 18-1/2 percent.
May 5	Prime rate reduced to 18 percent.
May 7	Prime rate reduced to 17 percent.
May 12	Prime rate reduced to 16-1/2 percent.
May 19	Prime rate reduced to 16 percent.
May 28	Discount rate lowered to 12 percent from 13 percent.
June 4	Prime rate reduced to 13 percent.
June 12	Discount rate lowered to 11 percent. Prime rate reduced to 12-1/2 percent.
June 20	Prime rate reduced to 12 percent.
June 24	Prime rate reduced to 11-1/2 percent. Some conventional mortgage rates fell to 12 percent.
June 25	Carpenters strike in Northern California ended.
July 3	ICC begins trucking industry deregulation.
July 21	Motion picture and television industry strike.

1980--Continued

July 22	Prime rate reduced to 11 percent.
July 25	Prime rate reduced to 10-3/4 percent.
July 28	Discount rate reduced to 10 percent.
August 5	Prime rate raised to 11 percent.
August 27	Prime rate raised to 11-1/2 percent.
September 5	FHA mortgage interest rate raised from 11-1/2 to 12 percent.
September 12	California morgage rate raised from 13-1/2 percent to 13-3/4 percent.
September 25	Pacific Southwest Airlines (PSA) pilots strike begins.
September 26	Discount rate raised from 10 to 11 percent. Prime rate raised from 12-1/2 percent to 12-3/4 percent.
October 2	Prime raised from 13 to 13-1/2 percent.
October 3	Prime raised to 14 percent.
October 15	AFTA workers return to work.
October 23	Screen Actors Guild strike ends.
October 30	Prime raised from 14 to 14-1/2 percent.
November 7	Prime raised from 14-1/2 to 15-1/2 percent.
November 14	PSA pilots strike ends.
November 17	Prime raised to 16 1/4 percent. Discount rate raised from 11 to 12 percent.
November 21	Prime raised to 17 percent.
November 28	Prime raised to 17-3/4 percent.
December 3	Prime raised from 17-3/4 to 18-1/2 percent.
December 5	Discount rate raised from 12 to 13 percent. Prime raised to 19 percent.
December 11	Prime raised to 20 percent.
December 17	Prime raised from 20 to 21 percent.

1980--Continued

December 23	Prime lowered from 21 to 20-1/2 percent.

1981

January 1	Minimum wage raised from $3.10 to $3.35.
January 6	Prime lowered to 20 percent.
January 20	American hostages released from Iran.
	Ronald Reagan inaugrated as 40th President of the U.S.
January 28	Deregulation of oil and gas industry announced, effective immediately.
January 29	Prime rate lowered to 19-1/2 percent from 20 percent.
February 16	General Motors and Ford rebate plans announced.
February 23	Prime rate lowered to 18 percent.
March 2	Prime rate lowered to 18-1/2 percent.
March 10	Prime rate lowered to 18 percent.
March 16	Prime rate lowered to 17-1/2 percent.
March 18	Prime rate lowered to 17 percent.
March 26	United mine workers strike.
April 13	Prime rate raised to 17-1/2 percent.
April 29	Prime rate raised to 18 percent.
May 4	Prime rate raised to 19 percent.
May 5	Discount rate raised from 13 percent to 14 percent.
May 8	FHA-VA rate up to 15-1/2 percent from 14-1/2 percent.
May 11	Prime rate raised to 19-1/2 percent.
May 22	Prime rate raised to 20 percent.
May 27	OPEC fails to agree on a uniform price schedule. OPEC officials freeze prices at current level.

1981--(Continued)

June 5	Dollar reaches highest level in international trading since December 1971.
June 8	Coal miners end 72 day strike and ratify a 40-month contract.
July 8	Prime rate raised to 20-1/2 percent.
August 3	Air traffic controller's strike.
August 14	President Reagan signs both the tax- and budget-cut bills into law.
August 18	FHA-VA rate up to 16-1/2 percent from 15-1/2 percent.
September 1	Prime rate lowered to 20 percent.
September 21	Prime rate lowered to 19-1/2 percent.
September 22	Fed surcharge cut to 3 percent from 4 percent.
October 6	Prime rate lowered to 19 percent.
	Egyptian President Sadat assassinated.
October 13	Prime rate lowered to 18 percent.
October 30	OPEC price set at $34.00/barrel--the Saudi benchmark.
November 1	Passbook interest rate raised 1/2 percent to 5-3/4 percent.
November 2	Fed discount rate cut from 14 percent to 13 percent.
	Prime rate lowered to 17-1/2 percent.
November 10	Prime rate lowered to 17 percent.
November 13	Prime rate lowered to 16-1/2 percent.
	FHA mortgage rate lowered to 15-1/2 percent.
November 16	Prime rate lowered to 16 percent.
November 17	Fed eliminates 2 percent surcharge. Discount rate unaffected.
December 1	Prime rate lowered to 15-1/2 percent.

1981--(Continued)

December 4	Fed discount rate lowered from 13 percent to 12 percent.
December 12	Martial law imposed in Poland.

1982

January 25	FHA mortgage rate increased to 16-1/2 percent frof 15-1/2 percent.
February 2	Prime rate raised to 16-1/2 percent by Citibank and Crocker.
February 18	Prime rate increased to 17 percent.
February 24	Prime rate cut back to 16-1/2 percent.
March 1	Ford-UAW Pact ratified. Workers give up 2 weeks of paid time off and annual 3 percent raises.
March 8	Prime rate lowered to 16 percent.
March 16	Prime rate back up to 16-1/2 percent.
April 1	OPEC cuts production to 17.5 mil. bls. from current 18.2. Saudi bench mark set at $34/bls.

SOURCES OF STATISTICAL SERIES

Employment Development Department *Employment Data and Research*	Civilian employment Unemployment Unemployment rate Nonagricultural employment Manufacturing employment Hours and earnings Nonagricultural placements Initial claims for unemployment insurance Insured unemployment Index for production worker man-hours
Department of Industrial Relations *Division of Labor Statistics and Research*	California consumer price index
Department of Finance	Personal income Wages and salaries Index of leading indicators
Department of Motor Vehicles	New auto registrations
State Board of Equalization	Taxable sales
Security Pacific National Bank	Housing units authorized Valuation of nonresidential construction
U.S. Department of Commerce	Retail sales
U.S. Bureau of Labor Statistics	Consumer price indices
U.S. Department of Defense	Prime defense contracts
Federal Power Commission	Electricity production
California Redwood Association	Lumber production
Conservation Committee of California Oil Producers	Petroleum production
American Iron and Steel Institute	Steel production
U.S. Bureau of Mines	Cement production
Dun and Bradstreet	Business failures and liabilities
California Secretary of State	New business incorporations
Federal Reserve Bank of San Francisco	Demand deposits Commercial and industrial loans

REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854 -

Initial trough	Peak	Terminal trough	Expansion (months)	Contraction (months)	Total (months)
Dec. 1854	June 1857	Dec. 1858	30	18	48
Dec. 1858	Oct. 1860	June 1861	22	8	30
June 1861	April 1865	Dec. 1867	46	32	78
Dec. 1867	June 1869	Dec. 1870	18	18	36
Dec. 1870	Oct. 1873	March 1879	34	65	99
March 1879	March 1882	May 1885	36	38	74
May 1885	March 1887	April 1888	22	13	35
April 1888	July 1890	May 1891	27	10	37
May 1891	Jan. 1893	June 1894	20	17	37
June 1894	Dec. 1895	June 1897	18	18	36
June 1897	June 1899	Dec. 1900	24	18	42
Dec. 1900	Sept. 1902	Aug. 1904	21	23	44
Aug. 1904	May 1907	June 1908	33	13	46
June 1908	Jan. 1910	Jan. 1912	19	24	43
Jan. 1912	Jan. 1913	Dec. 1914	12	23	35
Dec. 1914	Aug. 1918	March 1919	44	7	51
March 1919	Jan. 1920	July 1921	10	18	28
July 1921	May 1923	July 1924	22	14	36
July 1924	Oct. 1926	Nov. 1927	27	13	40
Nov. 1927	Aug. 1929	March 1933	21	43	64
March 1933	May 1937	June 1938	50	13	63
June 1938	Feb. 1945	Oct. 1945	80	8	88
Oct. 1945	Nov. 1948	Oct. 1949	37	11	48
Oct. 1949	July 1953	May 1954	45	10	55
May 1954	Aug. 1957	April 1958	39	8	47
April 1958	April 1960	Feb. 1961	24	10	34
Feb. 1961	Dec. 1969	Nov. 1970	106	11	117
Nov. 1970	Nov. 1973	March 1975	36	16	52
March 1975	Jan. 1980		58		

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CALIFORNIA ECONOMIC INDICATORS

May 1982

DEPARTMENT OF FINANCE

INTRODUCTION

California Economic Indicators is a bimonthly summary of economic trends and data relating to the State of California. Generally patterned after the U.S. Census Bureau publication Business Conditions Digest, the report contains the following regular features:

- review of economic developments
- current California economic data table
- economic indicator charts
- basic data for California economic series
- chronology of major economic events.

Developments in California over the most recent months are reviewed in a brief text, and then summarized in a current data table which shows changes over the previous year. Charts containing monthly and quarterly series from 1971 are included to facilitate the review of current developments, and to appraise the significance of the developments on the State economy. Much of the data in the report has been seasonally adjusted by the source agency or the Department of Finance.

Sources are cited on the inside back cover to assist readers in obtaining any additional information on the statistical series published. Finally, reference dates for U.S. business cycles, as determined by the National Bureau of Economic Research, are shown on the back of the publication.

Individuals or businesses seeking assistance in their economic development or job creation efforts are advised to contact the Department of Economic and Business Development. The Department can also provide additional general information on economic opportunities in California. Correspondence should be addressed to: State of California, Department of Economic and Business Development, 1120 N Street, Sacramento, CA 95814.

The Department of Finance welcomes suggestions on additions or changes which would make the Indicators a more useful publication. Correspondence should be addressed to: State of California, Department of Finance, Financial Research Unit, 1025 P Street, Sacramento, CA 95814.

Subscriptions are $5.00 per year, and begin with the January issue. The subscription price will be prorated throughout the year based upon the beginning subscription date, as shown below:

Beginning Subscription Date	Prorated Amount Due
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May	3.35
July	2.50
September	1.65
November	0.85

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0804A

REVIEW OF ECONOMIC DEVELOPMENTS

Signs of further weakening in the California economy appeared during March and April. Nonagricultural wage and salary employment in March fell by nearly 40,000 from the February level of 10,054,800. In April an additional 2,300 jobs were lost. The sharpest declines occurred in the basic producing industries--construction and manufacturing. April manufacturing employment was more than 50,000 below the February 1980 peak of 2,033,600 jobs.*

The unemployment rate in March increased to 9.4 percent but eased fractionally to 9.3 percent in April. The higher levels of unemployment were almost entirely due to increased job losses. The number of persons voluntarily leaving their jobs, as well as reentrants and new entrants into the labor force, have remained fairly stable over the past few years.

Price trends continue to be a bright spot in the economy. The Los Angeles CPI fell by 0.1 percent between February and March of this year. The decline was primarily the result of a 1.5 percent decrease in homeownership costs; private transportation was down 0.5 percent due to lower gasoline prices. The San Diego index dropped by 1.3 percent between January and March. Again, reduced homeownership and transportation costs played major roles. Inflation within California is now increasing at only a 3 percent rate. Continued moderation is expected throughout this year.

Residential construction remains at an extremely low level. The number of housing units authorized by permits during February and March (on an annualized basis) were 65,100 and 70,700, respectively. These rates of construction are only marginally above the low of 61,100 units recorded in November 1981. Between 1963 and 1981 an average of nearly 200,000 housing units were built in California each year.

In contrast, nonresidential building activity continues to climb. The value of such construction during February and March 1982 was up 12.6 percent over the same two months in 1981. The strength of nonresidential construction throughout last year, with the growth being the result of many new projects, indicates that optimism towards further business activity is overshadowing any concerns over the weak performance of the economy in the short term.

Preliminary California personal income for the first quarter of 1982 and revised data for the third and fourth quarters of 1981 have been released. Total income during the first three months of 1982 was up 10.8 percent over the same quarter last year. Wages and salaries, which comprise about two-thirds of all personal income, rose 9.6 percent on a year-over-year basis. Proprietors' income declined for the fifth consecutive quarter. The first quarter 1982 level of $16.0 billion was 2.8 percent below the peak reached in the final quarter of 1980.

The California index of leading economic indicators is currently being revised. It is expected that the next issue of the Economic Indicators will include the new and up-to-date series. Revision of the present leading indicators measure is necessary because of the discontinuation of key data series.

*All nonagricultural employment data represent the Interim Benchmark Series prepared by the Employment Development Department.

CURRENT CALIFORNIA ECONOMIC DATA

	1982			1981			Percent Change Mar. 1981-Mar. 1982
	Mar.	Feb.	Jan.	Dec.	Mar.	Feb.	
Employment[a]							
Civilian employment (000)	11,995	12,004	11,916	11,851	11,729	11,730	2.3
Unemployment (000)	1,130	1,069	1,038	1,023	842	862	34.2
Unemployment rate	9.4	8.9	8.7	8.6	7.2	7.3	--
Nonagricultural wage and salary employment[b] (000)	10,016.4	10,054.8	10,068.0	10,011.2	9,978.1	9,985.8	0.4
Mining	52.3	52.8	52.2	51.4	46.6	46.9	12.2
Construction	388.9	405.5	416.3	403.0	440.6	445.0	-11.7
Manufacturing	1,992.1	2,007.4	2,012.6	2,010.1	2,020.3	2,020.2	-1.4
Aerospace[c]	629.4	627.1	628.8	631.0	634.4	624.7	-0.8
Transportation, communications, and public utilities	558.6	557.0	557.2	552.9	552.7	550.5	1.1
Trade	2,339.2	2,239.0	2,336.4	2,314.8	2,288.7	2,287.5	2.2
Finance, insurance, and real estate	653.4	652.2	648.5	647.0	643.1	641.6	1.6
Services	2,281.0	2,288.4	2,287.1	2,276.1	2,219.2	2,223.2	2.8
Government	1,750.9	1,752.5	1,757.7	1,755.9	1,767.0	1,771.0	-0.9
Federal	325.5	326.2	326.1	323.7	326.1	328.0	-0.2
State and local	1,425.4	1,426.3	1,431.6	1,432.2	1,440.9	1,443.0	-1.1
Hours and Earnings, Manufacturing							
Average weekly hours	39.2	39.1	39.6	40.5	39.6	39.3	-1.0
Average weekly earnings	$355.54	$353.46	$356.80	$364.50	$327.10	$321.08	8.9
Average hourly earnings	$9.07	$9.04	$9.01	$9.00	$8.26	$8.17	9.9
Index of Leading Indicators	n.a.	n.a.	n.a.	n.a.	145.3	148.5	n.a.
Trade							
Retail sales (millions)	n.a.	$9,544	$9,771	$10,925	$10,205	$9,010	n.a.
New auto registrations (number)	80,546	57,883	65,873	68,458	93,001	67,900	-13.4
Business							
Business failures (number)	n.a.	n.a.	n.a.	n.a.	228	163	n.a.
Business liabilities (000)	n.a.	n.a.	n.a.	n.a.	$51,137	$39,777	n.a.
New incorporations (number)	4,837	3,786	3,897	4,580	4,837	4,269	0.0
Consumer Price Index, all items[d]							
California average (1967=100)	--	292.0	--	289.2	--	264.2	--
San Francisco (1967=100)	--	295.8	--	294.0	--	260.5	--
Los Angeles (1967=100)	286.6	285.6	285.8	282.3	263.3	261.6	8.8
San Diego (1967=100)	319.0	--	323.1	--	293.1	--	8.8
Output							
Petroleum production (000 barrels daily)	n.a.	n.a.	1,085	1,086	1,012	1,008	n.a.
Portland cement production (000 short tons)	460.6	495.3	406.8	586.6	654.4	586.8	-29.6
Raw steel production (000 net tons)	n.a.	n.a.	n.a.	n.a.	242.9	223.6	n.a.
Selected redwood mill shipments (mil. FBM)	77.2	66.1	67.0	62.2	68.6	66.8	12.5
Construction							
Private residential housing units authorized (number)	5,860	4,275	4,140	5,195	10,708	9,292	-45.3
Nonresidential building authorized, valuation (000)	$885.5	$644.6	$520.8	$693.4	$736.2	$646.7	20.2

a/Adjusted for seasonal variation.
b/Interim series of wage and salary workers. This unofficial series is adjusted for the latest tabulations of unemployment insurance coverage and approximates what the official data will be when estimates are updated at year end.
c/The Interim Series does not give a breakdown for aerospace employment. These values are from the EDD official employment series, and are not seasonally adjusted.
d/All urban series.

n.a. Not available

2829D

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are production worker man-hours, insured unemployment, manufacturing employment, and taxable sales. These series are discussed in the technical note below.

Data for most series are plotted monthly. Quarterly series are identified following the series title on the chart.

The Arabic numeral in the right hand corner of each graph indicates the latest month for which the data are plotted (e.g.: 7 = July).

Roman numerals indicate the latest quarter for which data are plotted (III = third quarter).

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The series on average weekly hours of production workers in manufacturing and production worker man-hours are adjusted by the Bureau of Labor Statistics method. Other series have been adjusted by the Bureau of the Census (Shiskin) method. Persons interested in a detailed description of these methods are referred to the U.S. Department of Labor, Bureau of Labor Statistics, the BLS Seasonal Factor Method (1964); and the U.S. Department of Commerce, Bureau of the Census, Technical Paper No. 15, The X-11 Variant of the Census Method II, Seasonal Adjustment Program (November 1965.)

Under the Census Bureau seasonal method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Production Worker Man-Hours

This series is a substitute for the man-hours in nonagricultural establishments series used in the Census Bureau's publication, Business Cycle Developments. It is the cross product of average weekly hours of production workers in manufacturing and manufacturing employment. Workweek data are a leading indicator. Manufacturing' employment appears to be a coincident indicator, although at times it seems to lead economic downturns. Because of this, the man-hours series has been classified in the present publication as a leading indicator.

Insured Unemployment

The series on total insured unemployment is being used rather than the insured unemployment rate included in the Census Bureau's indicator list. The insured rate is available only with a lag of nine months, which precludes its usefulness as a current indicator.

Manufacturing Employment

This series is also an addition to the Census Bureau indicator list. It was used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

Taxable Sales

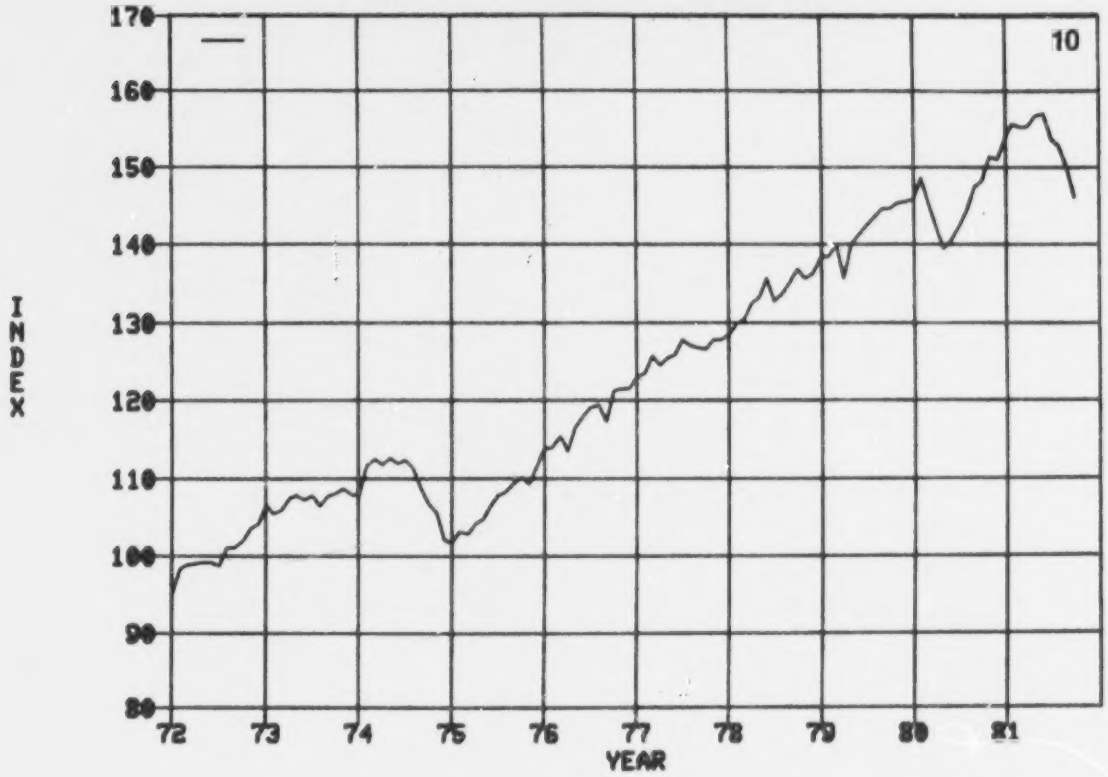
Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is therefore a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but will be of interest to persons looking at overall economic developments.

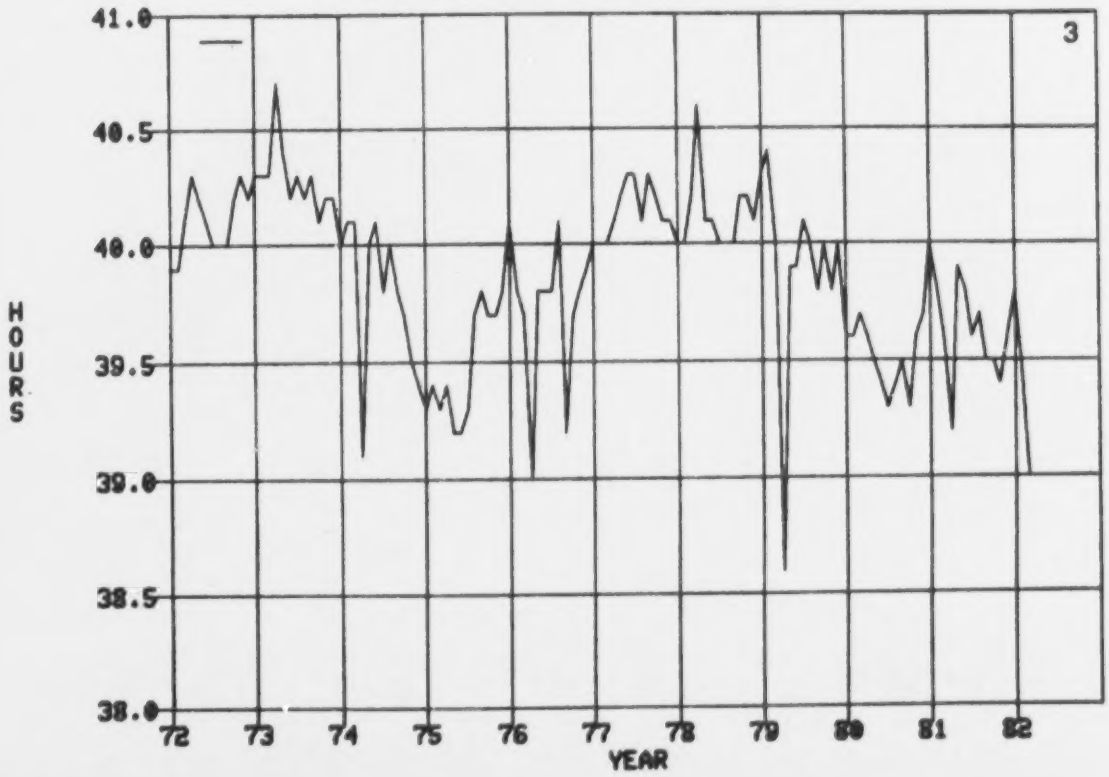
Standard Abbreviations

n.a.	Not available	p	Preliminary
e	Estimate	r	Revised

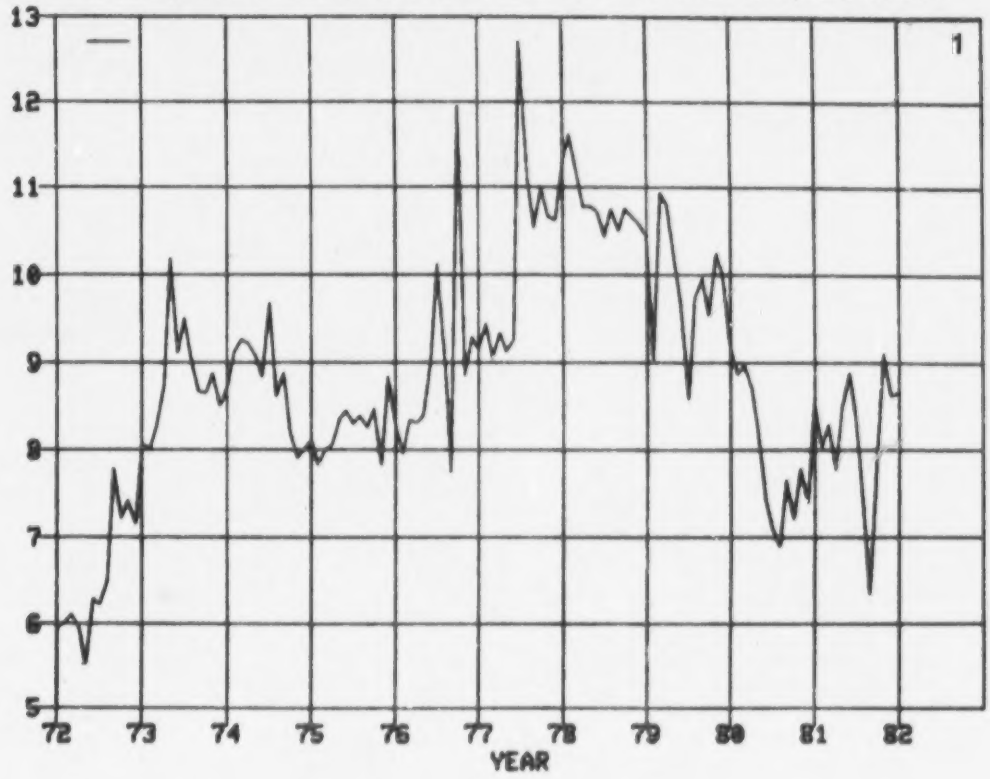
INDEX OF LEADING INDICATORS (1972-100)



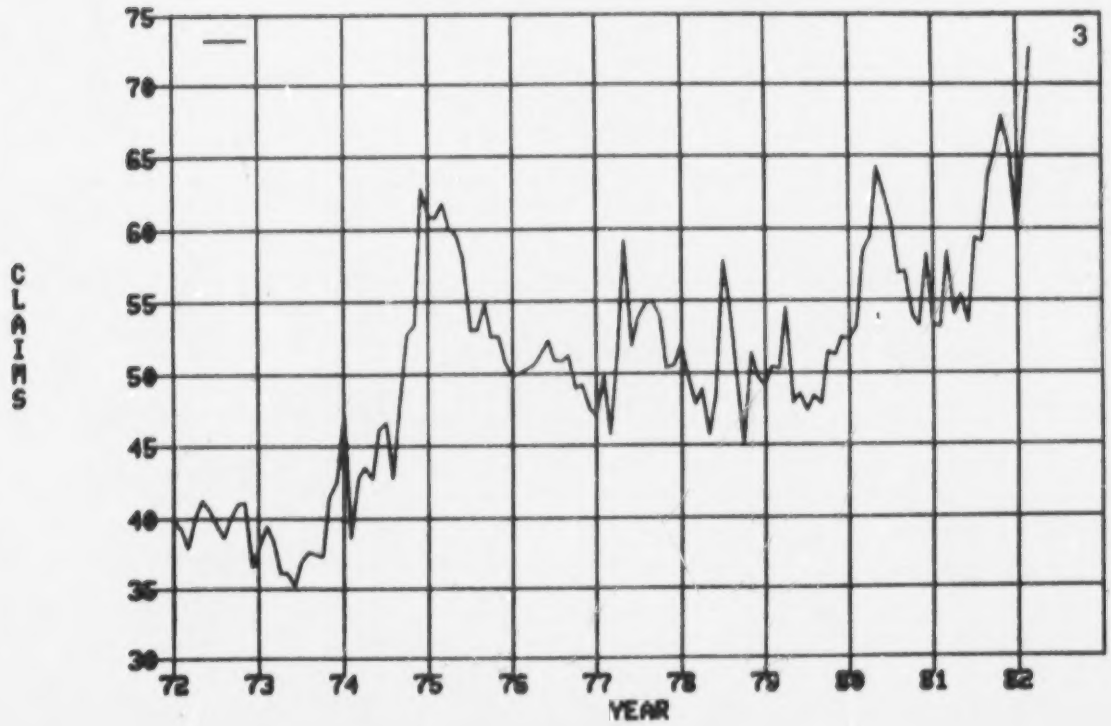
AVERAGE WEEKLY HOURS, MANUFACTURING



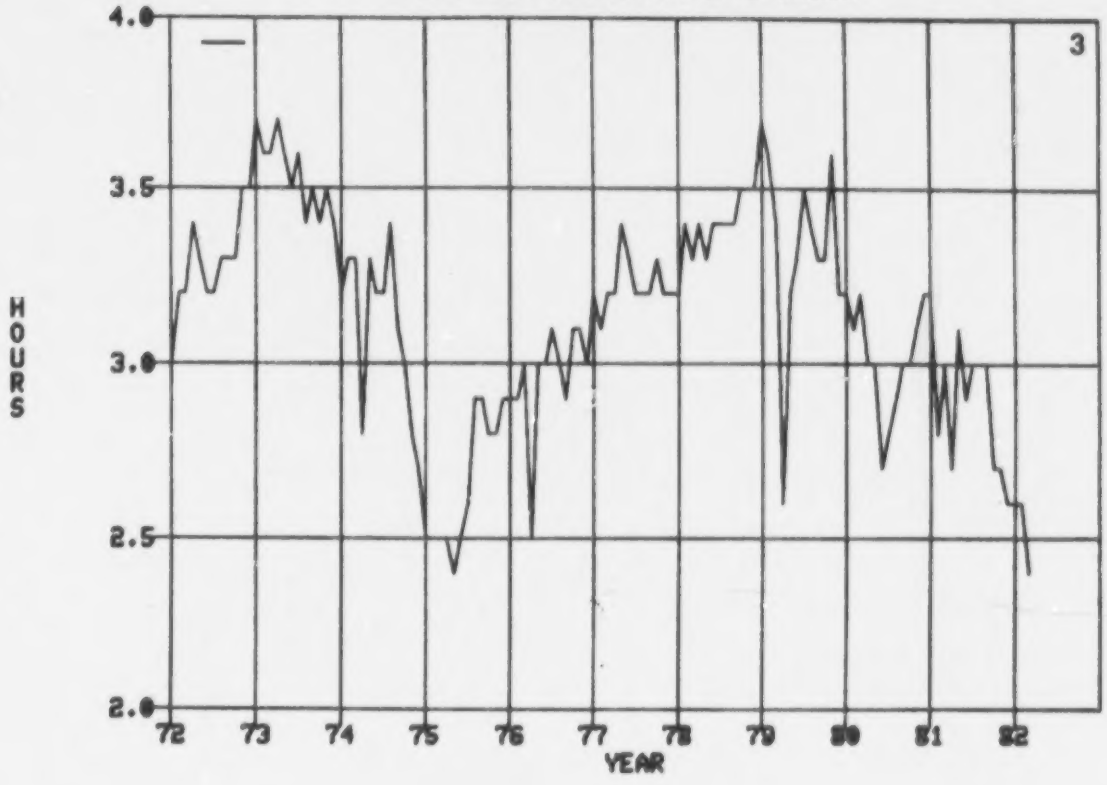
NONAGRICULTURAL PLACEMENTS, WEEKLY AVERAGE (IN THOUSANDS)



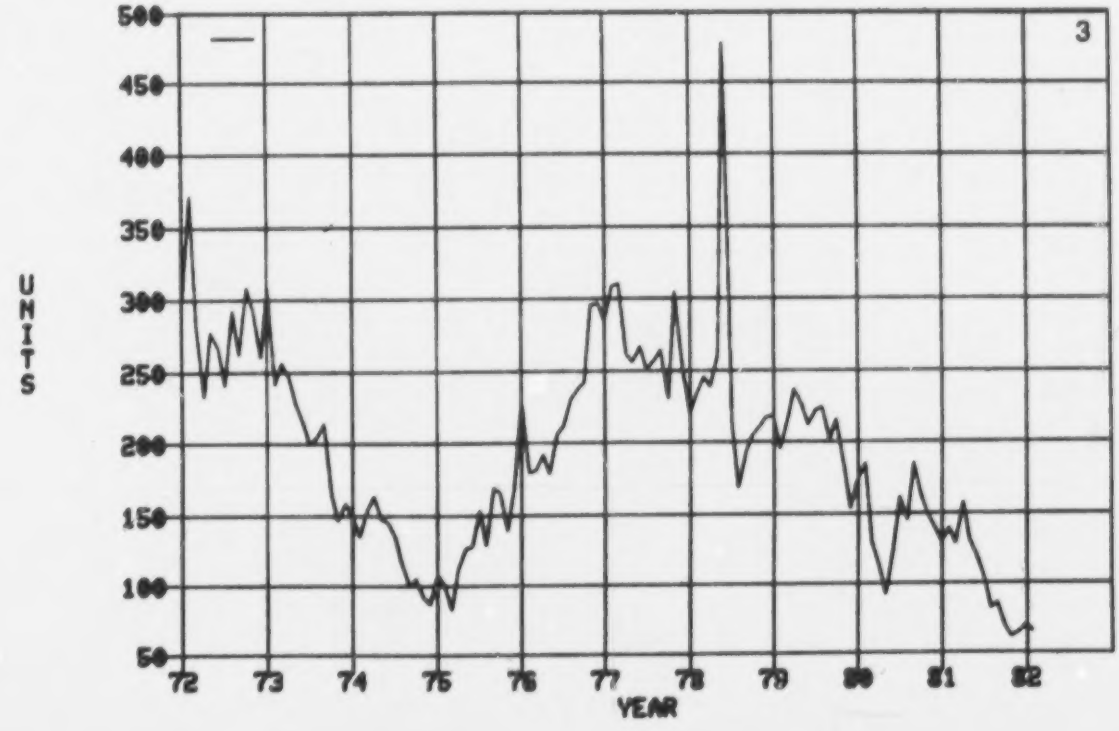
INITIAL CLAIMS FOR UNEMPLOYMENT INSURANCE,
WEEKLY AVERAGE (IN THOUSANDS)

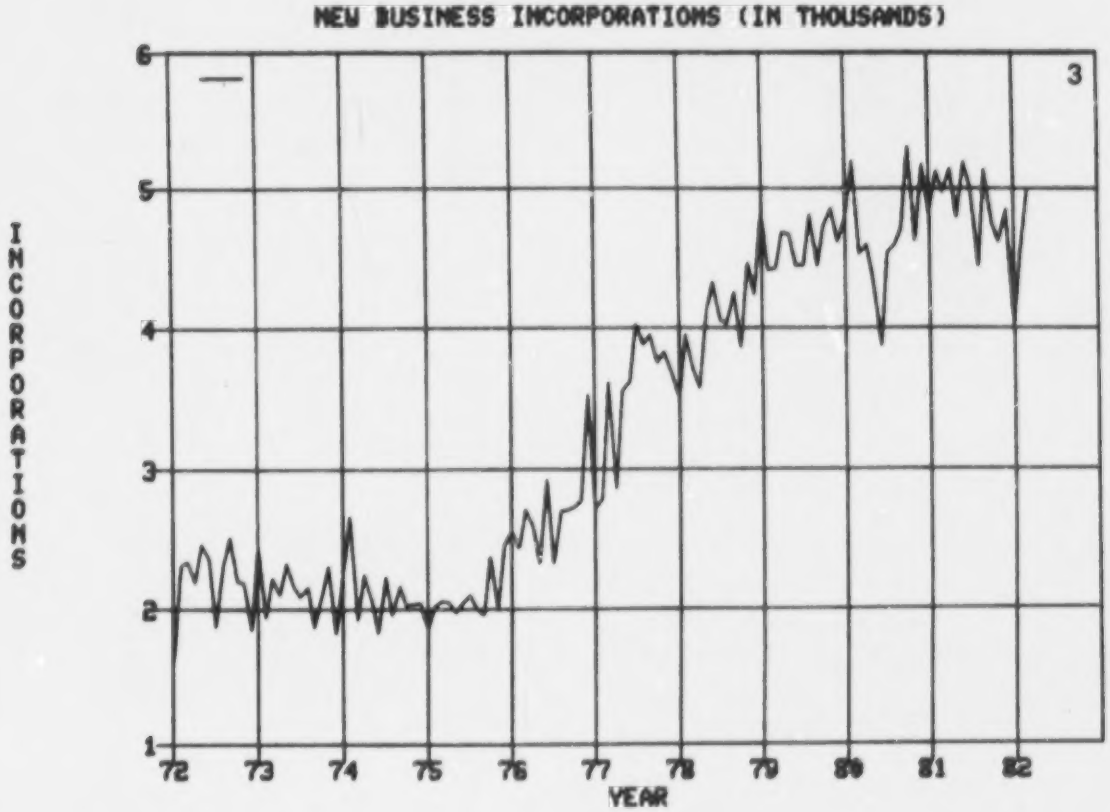


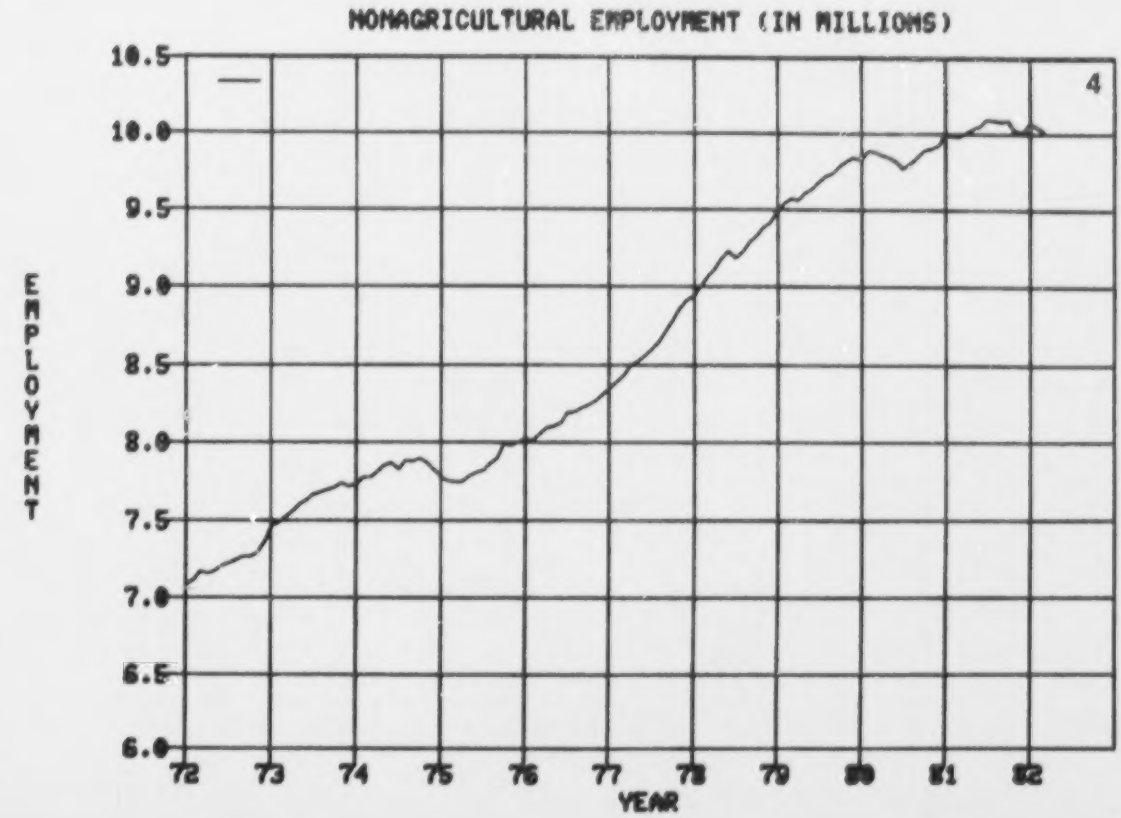
OVERTIME HOURS, MANUFACTURING



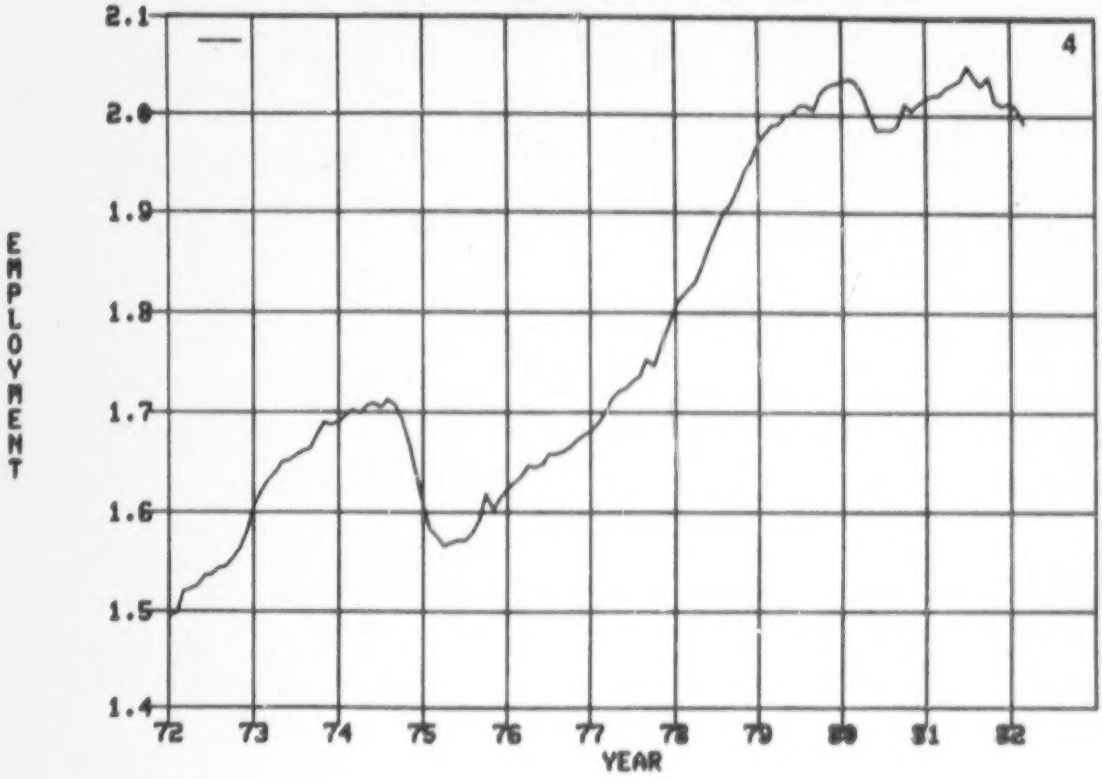
PRIVATE HOUSING UNITS AUTHORIZED, ANNUAL BASIS
(IN THOUSANDS)



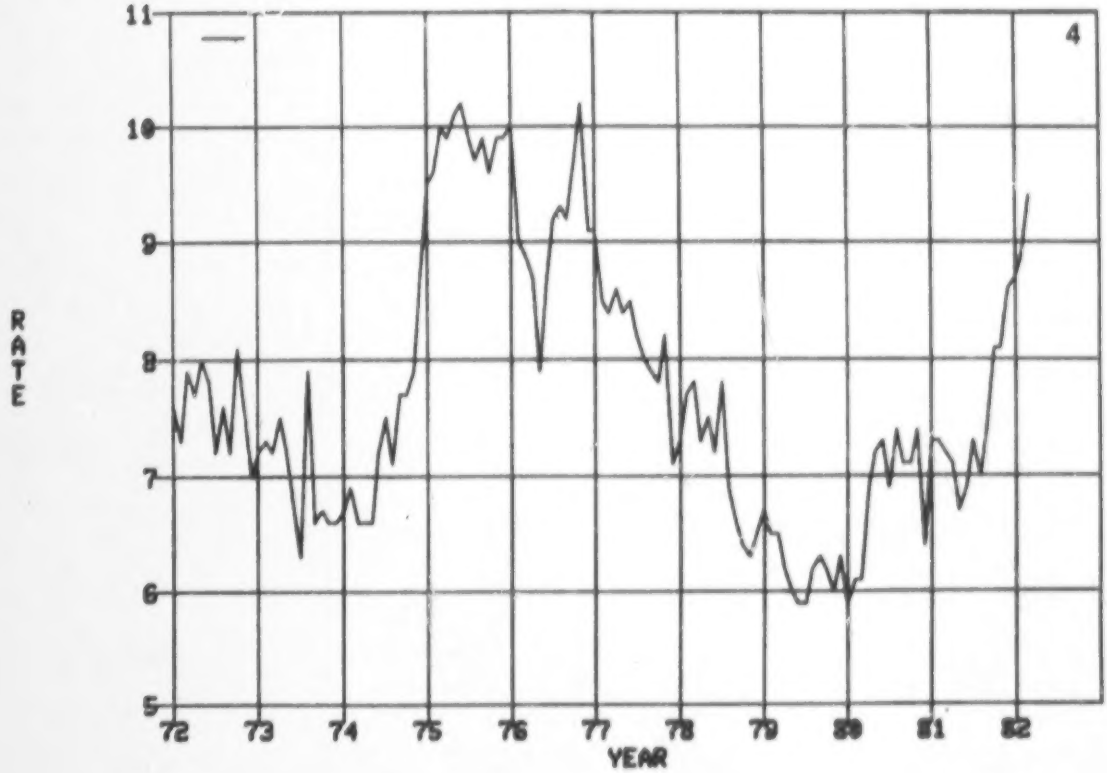

NEW BUSINESS INCORPORATIONS (IN THOUSANDS)
INCORPORATIONS
6
5
4
3
2
1
72
73
74
75
76
77
78
79
80
81
82
YEAR
3


NONAGRICULTURAL EMPLOYMENT (IN MILLIONS)
EMPLOYMENT
10.5
10.0
9.5
9.0
8.5
8.0
7.5
7.0
6.5
6.0
72
73
74
75
76
77
78
79
80
81
82
YEAR
4

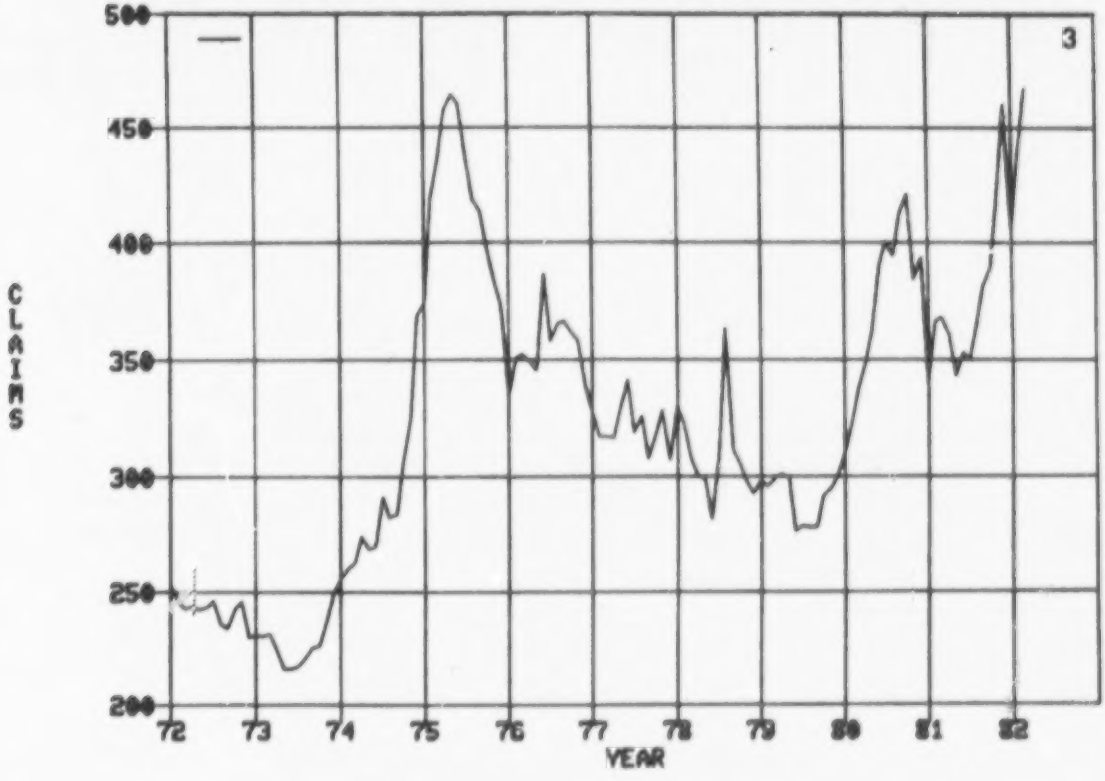
MANUFACTURING EMPLOYMENT (IN MILLIONS)



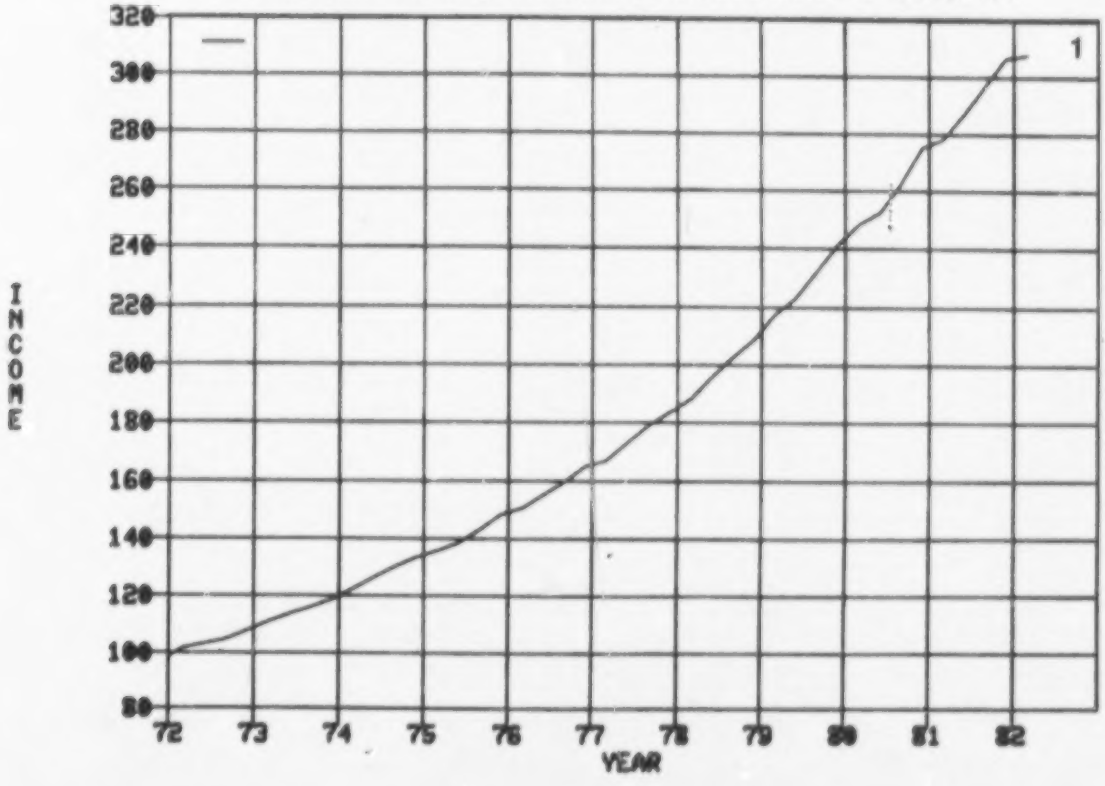
UNEMPLOYMENT RATE



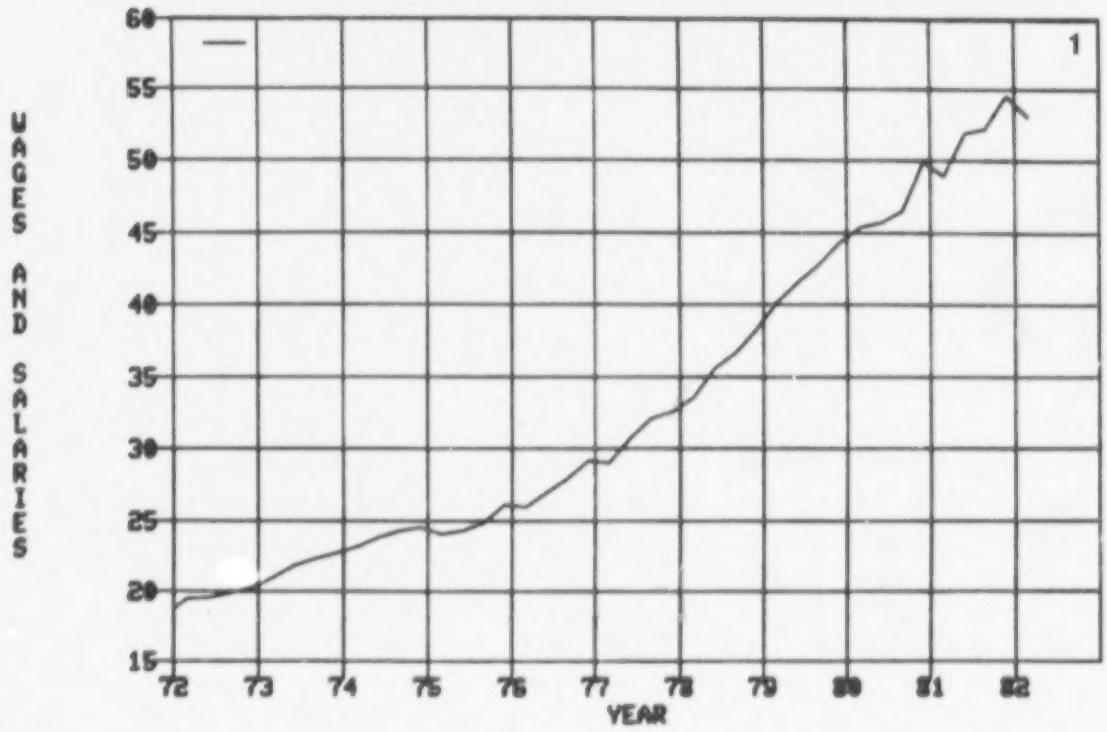
INSURED UNEMPLOYMENT, AVERAGE WEEKS CLAIMED (IN THOUSANDS)



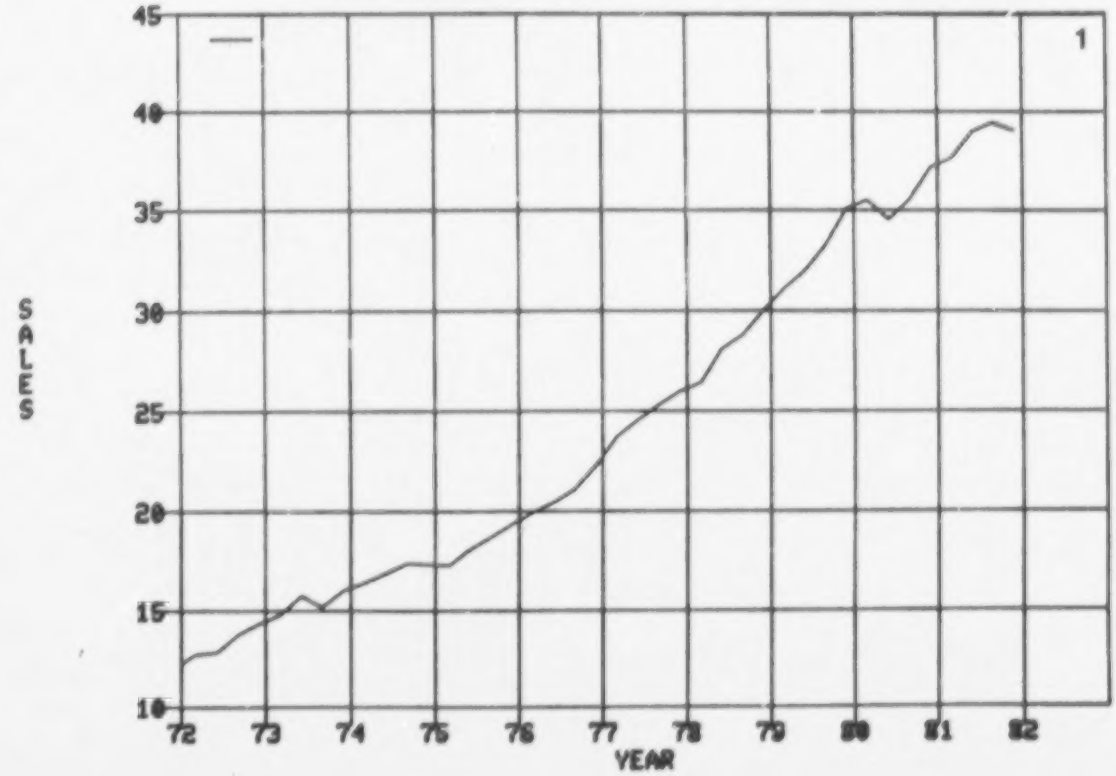
PERSONAL INCOME, QUARTERLY (IN BILLIONS OF DOLLARS)



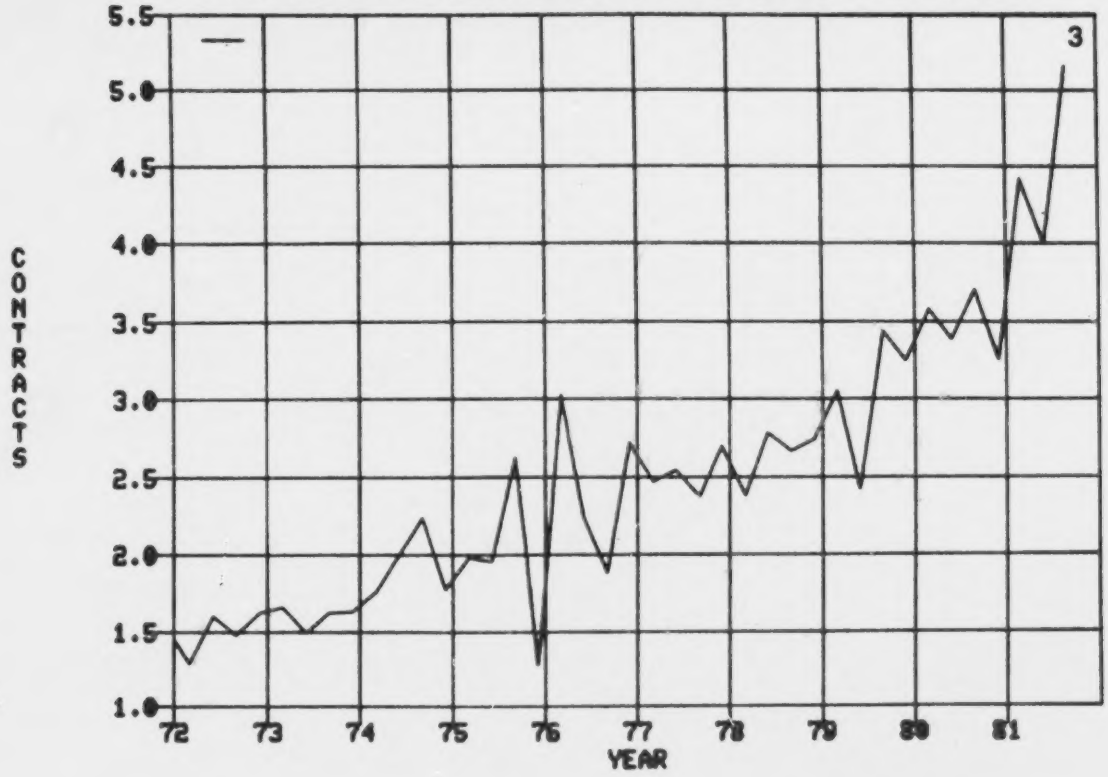
WAGES AND SALARIES FROM MINING, MANUFACTURING, AND CONSTRUCTION, QUARTERLY (IN BILLIONS OF DOLLARS)



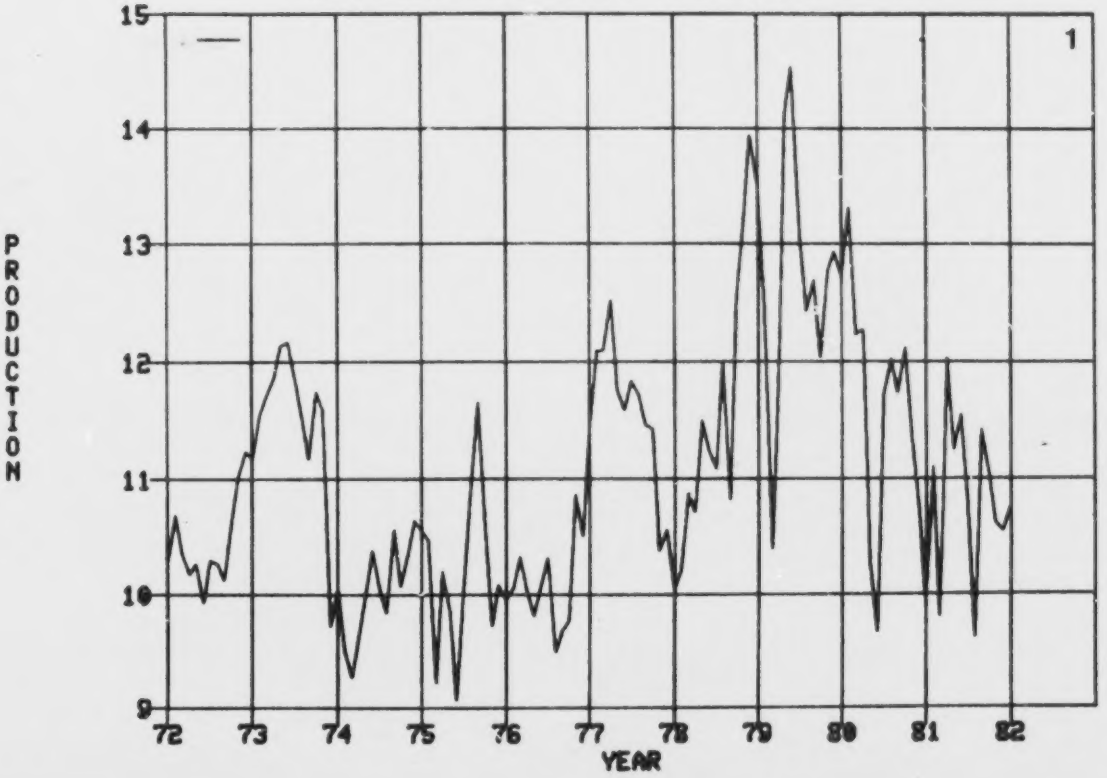
TAXABLE SALES, QUARTERLY (IN BILLIONS OF DOLLARS)



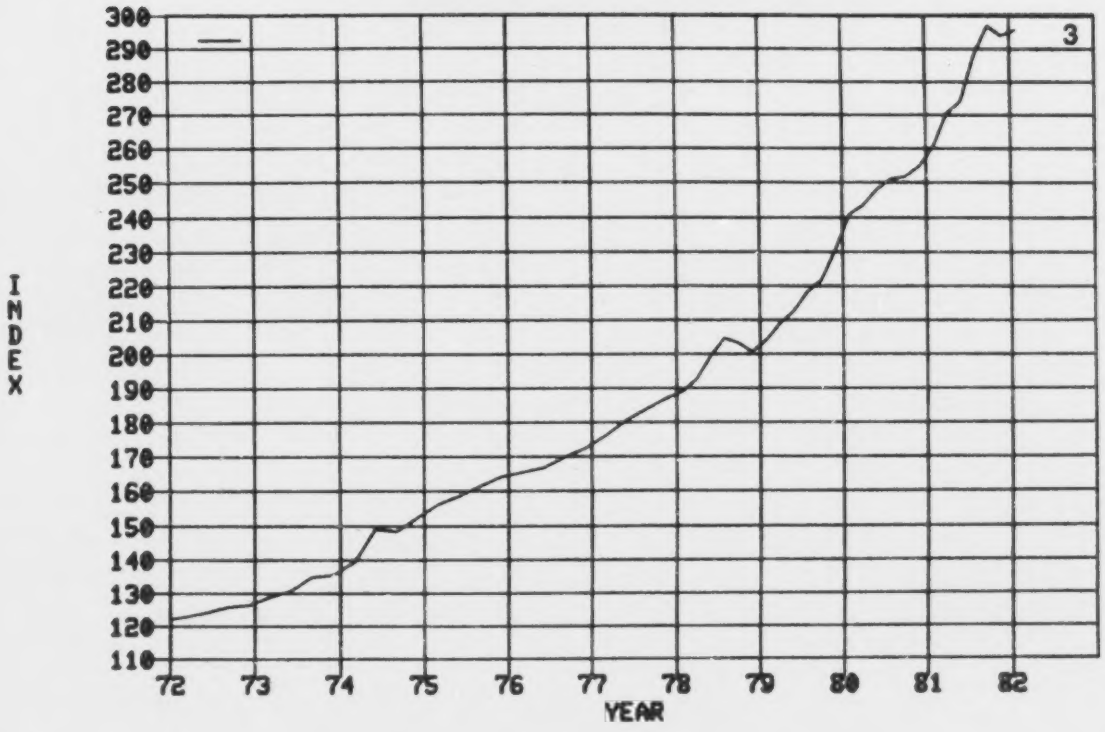
DOD PRIME CONTRACTS, QUARTERLY (IN BILLIONS OF DOLLARS)



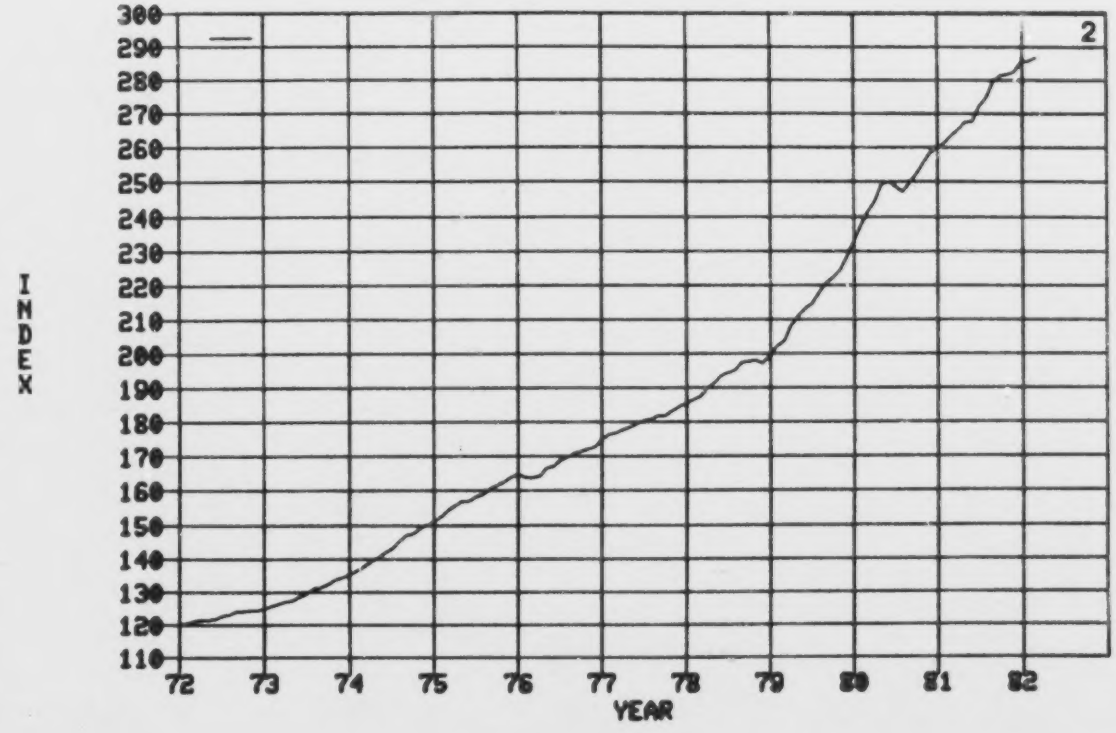
ELECTRICITY PRODUCTION (IN BILLIONS OF KWH)



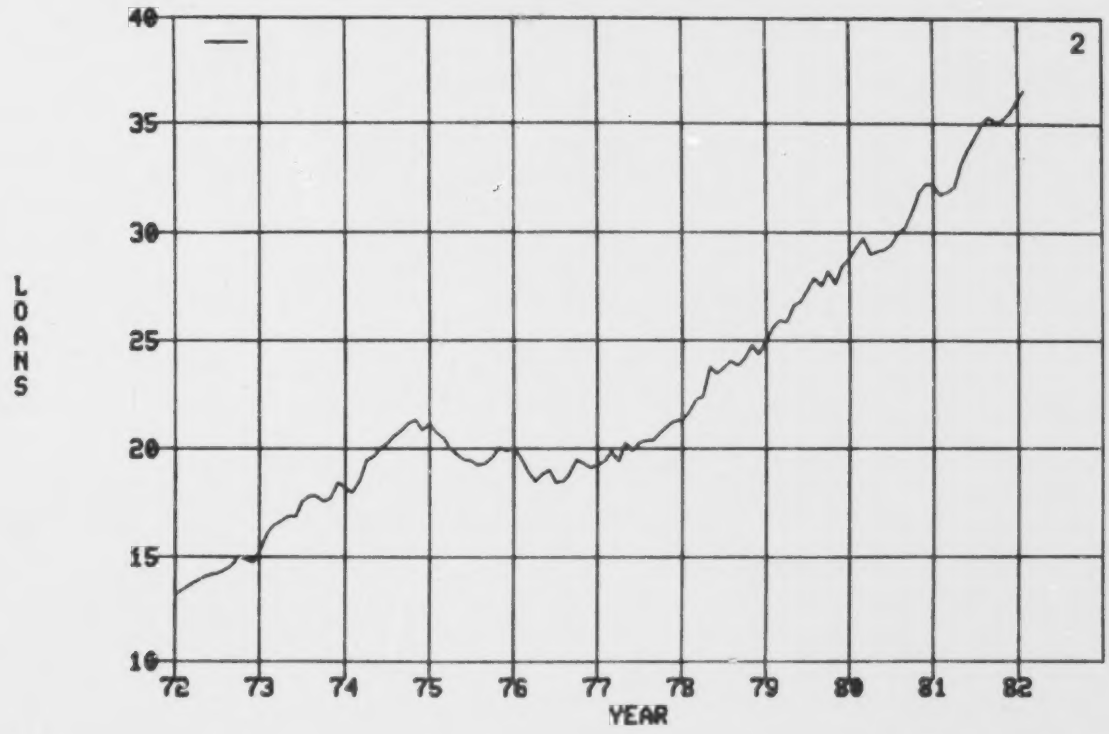
CONSUMER PRICE INDEX, SAN FRANCISCO
ALL URBAN CONSUMERS (1967=100)



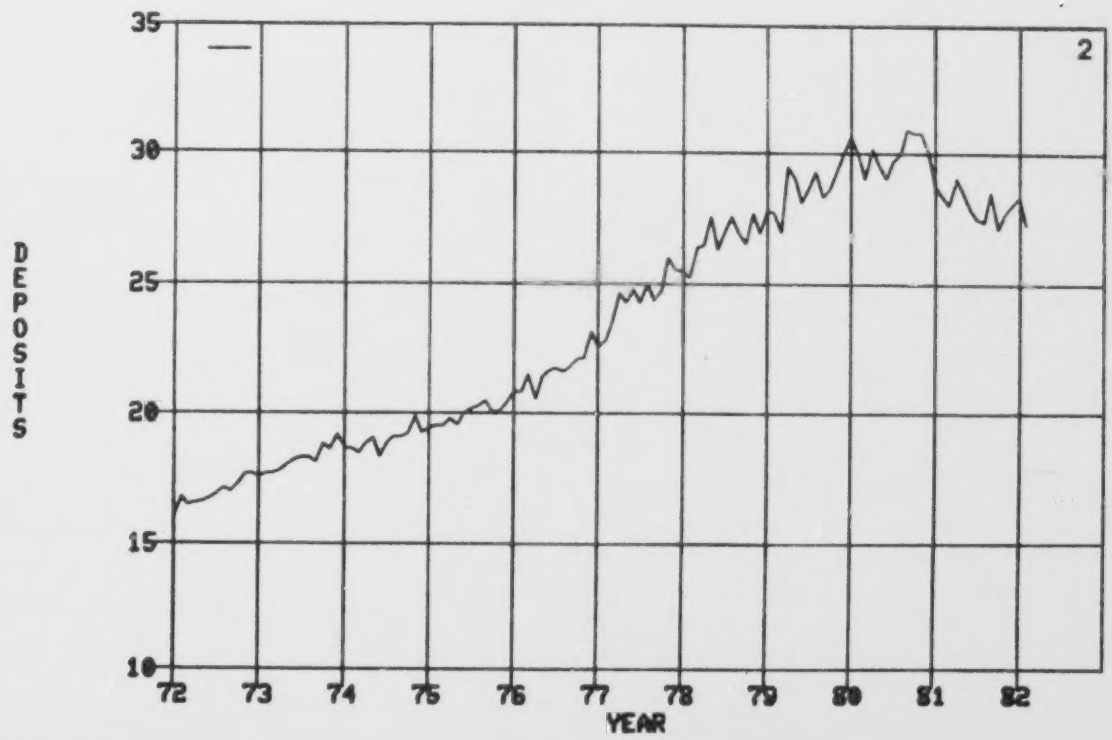
CONSUMER PRICE INDEX, LOS ANGELES
ALL URBAN CONSUMERS (1967=100)



CALIFORNIA COMMERCIAL AND INDUSTRIAL LOANS
(IN BILLIONS OF DOLLARS)



CALIFORNIA DEMAND DEPOSITS ADJUSTED
(IN BILLIONS OF DOLLARS)



BASIC DATA FOR CALIFORNIA ECONOMIC SERIES

(Seasonally Adjusted Except as Noted)

Year and Month	Leading Indicators: Index of Leading Indicators (1972=100)	Average Weekly Hours, Manufacturing r/	Nonagricultural Placements Weekly Avg. (thousands)	Initial Claims for Unemployment Insurance Weekly Avg. r/ (thousands)	Overtime Hours Manufacturing r/	Private Housing Units Authorized (thousands) a/	New Business Incorporations r/
1978							
July	132.7	40.1	10.4	57.5	3.4	215.5	4,095
August	133.8	40.0	10.8	54.7	3.4	168.6	4,080
September	135.2	40.0	10.5	49.3	3.4	192.5	4,255
October	136.8	40.3	10.7	45.0	3.5	204.2	3,907
November	135.6	40.2	10.7	51.2	3.5	210.1	4,492
December	136.2	40.1	10.6	50.2	3.5	216.4	4,229
1979							
January	138.5	40.2	10.4	49.3	3.6	218.1	4,852
February	138.4	40.4	9.0	50.6	3.6	195.3	4,288
March	140.0	40.0	10.9	50.2	3.4	214.9	4,414
April	135.6	38.7	10.8	54.4	2.7	236.2	4,689
May	140.1	39.9	10.2	47.6	3.3	226.4	4,760
June	141.2	39.9	9.6	48.7	3.3	211.9	4,310
July	142.5	40.2	8.6	47.1	3.5	221.3	4,508
August	143.5	40.0	9.7	48.5	3.4	223.9	4,902
September	144.6	39.9	10.0	47.7	3.3	201.9	4,422
October	144.6	40.0	9.5	51.2	3.3	215.5	4,790
November	145.3	39.8	10.2	50.9	3.5	184.5	4,890
December	145.4	40.0	10.0	53.3	3.2	153.7	4,547
1980							
January	145.8	39.6	9.2	56.4	3.1	173.8	4,778
February	148.5	39.6	9.0	54.9	3.1	184.6	5,206
March	145.3	39.7	9.0	58.5	3.2	130.1	4,534
April	142.2	39.6	8.7	59.0	3.1	112.4	4,592
May	139.5	39.5	8.2	61.0	3.0	92.4	4,326
June	140.5	39.4	7.4	61.9	2.7	124.4	3,882
July	142.4	39.4	7.1	60.0	2.8	161.1	4,439
August	144.4	39.4	6.9	58.2	2.9	145.5	4,596
September	147.4	39.6	7.6	57.9	3.0	184.1	4,710
October	148.0	39.3	7.2	54.9	3.0	161.5	5,312
November	151.3	39.6	7.8	54.4	3.1	149.4	4,631
December	151.0	39.6	7.4	59.1	3.2	138.7	5,181
1981							
January	153.8	39.8	8.5	52.7	3.1	129.9	4,826
February	155.6	39.8	8.0	53.4	2.8	138.9	5,130
March	155.2	39.5	8.3	58.0	3.0	128.3	4,976
April	155.2	39.6	7.8	53.8	2.8	156.8	5,145
May	156.7	39.9	8.4	54.9	3.1	131.3	4,801
June	157.0	39.8	8.9	53.6	3.0	118.9	5,194
July	153.6	39.6	8.3	58.8	3.0	105.8	5,011
August	152.8	39.7	7.3	59.6	3.0	82.5	4,450
September	150.0	39.5	6.3	63.6	3.0	85.6	5,139
October	146.0	39.5	6.3	65.2	2.7	69.1	4,753
November		39.4	8.0	67.2	2.7	61.1	4,619
December		39.6	9.1	66.8	2.6	64.2	4,845
1982							
January		39.8	8.6	59.7	2.6	69.4	4,018
February		39.5		65.5	2.6	65.1	4,529
March		39.0		72.6	2.4	70.7	4,997

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	Coincident Indicators						Other Indicators
	Nonagricultural Employment (thousands) r/	Wages and Salaries in Mining, Manufacturing and Construction (mil dol.) a/	Unemployment Rate r/	Insured Unemployment Average Weeks Claimed (thousands) r/	Personal Income (mil dol.) a/	Taxable Sales (mil dol.) b/	Manufacturing Employment (thousands) r/
1978							
July	9,190.3		7.8	309			1,885.7
August	9,230.8	36,650	7.0	363	202,806	28,904	1,901.4
September	9,303.6		6.7	311			1,913.0
October	9,330.8		6.4	306			1,920.5
November	9,385.8	38,189	6.4	297	208,438	29,866	1,941.0
December	9,417.5		6.4	293			1,951.3
1979							
January	9,483.0		6.5	298			1,967.7
February	9,509.8	40,180	6.4	296	217,444	31,041	1,974.7
March	9,554.3		6.4	299			1,986.9
April	9,549.3		6.1	301			1,986.6
May	9,601.8	41,533	6.1	299	222,892	32,140	1,996.3
June	9,639.5		6.0	276			2,004.2
July	9,685.3		6.0	278			2,011.2
August	9,725.6	42,772	6.4	278	232,363	33,410	2,015.0
September	9,758.1		6.5	278			2,010.7
October	9,780.5		6.2	292			2,019.0
November	9,822.1	44,256	6.0	294	241,225	34,893	2,028.1
December	9,836.5		6.1	300			2,029.2
1980							
January	9,830.5		5.9	310			2,026.1
February	9,888.3	45,332	6.1	323	248,371	35,375	2,033.6
March	9,878.5		6.1	337			2,030.3
April	9,859.3		6.9	349			2,016.9
May	9,839.8	45,693	7.2	363	252,420	34,704	2,005.6
June	9,811.1		7.3	390			1,993.2
July	9,766.8		6.9	401			1,987.3
August	9,802.0	46,470	7.4	395	262,283	35,661	1,987.4
September	9,841.1		7.1	412			1,995.3
October	9,895.3		7.1	420			2,007.8
November	9,897.1	49,946	7.4	384	275,130	36,942	2,004.4
December	9,925.3		6.4	394			2,008.5
1981							
January	9,993.0		7.3	340			2,016.3
February	9,985.8	48,927	7.3	367	277,802r/	37,618	2,020.2
March	9,978.1		7.2	368			2,020.3
April	10,013.3		7.1	360			2,028.3
May	10,033.3	51,873r/	6.7	343	286,714r/	38,982r/	2,031.6
June	10,055.8		6.9	353			2,036.4
July	10,097.1		7.3	350			2,050.9
August	10,087.3	52,197r/	7.0	366	296,692r/	39,407	2,038.3
September	10,086.3		7.4	381			2,030.5
October	10,087.4		8.1	389			2,039.5
November	10,024.9	54,547	8.1	417	306,544	39,032	2,014.1
December	10,011.2		8.6	460			2,010.1
1982							
January	10,068.0		8.7	405			2,012.6
February	10,054.8	53,084	8.9	437	307,925		2,007.4
March	10,016.4		9.4	467			1,992.1
April	10,014.1		9.3				1,980.5

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	Other Indicators							
	DOD Prime Contracts (mil dol.)b/	Consumer Price Index (1967=100)c/ San Francisco Wage Earner and Clerical Worker	San Francisco All Urban	Los Angeles Wage Earner and Clerical Worker	Los Angeles All Urban	California Commercial and Industrial Loans (mil dol.)	California Demand Deposits Adjusted (mil dol.)	Electricity Production (mil KWH)r/
1978								
July		--	--	194.3	194.3	23,727	27,057	11,145
August	2,662	204.0	204.7	194.7	194.9	24,061	27,550	12,026
September		--	--	196.9	197.3	23,853	26,931	10,781
October		202.6	203.2	197.2	197.8	24,178	26,545	12,521
November	2,737	--	--	197.5	198.1	24,790	27,695	13,195
December		200.4	200.8	197.0	197.1	24,390	26,956	13,968
1979								
January		--	--	199.7	199.6	24,955	27,782	13,803
February	3,053	204.2	203.9	202.3	201.9	25,563	27,761	12,461
March		--	--	204.4	203.8	25,917	27,011	10,778
April		209.3	208.8	208.8	207.8	25,836	29,474	11,708
May	2,424	--	--	212.4	211.0	26,618	29,038	13,833
June		213.7	212.5	214.5	212.9	26,786	28,141	13,929
July		--	--	216.8	214.7	27,380	28,715	13,231
August	3,441	218.6	218.3	219.6	217.5	27,864	29,326	12,500
September		--	--	223.0	220.7	27,517	28,360	12,582
October		220.8	221.5	224.0	221.8	28,191	28,613	11,987
November	3,251	--	--	225.8	224.2	27,628	29,341	12,709
December		229.0	230.2	229.9	228.0	28,396	29,951	12,970
1980								
January		--	--	235.0	232.6	28,763	30,657	13,136
February	3,575	240.0	240.7	240.0	237.6	29,315	29,968	13,292
March		--	--	243.9	241.3	29,691	29,037	12,908
April		242.8	243.5	247.8	244.6	28,966	30,185	12,073
May	3,388	--	--	252.6	249.1	29,091	29,577	10,040
June		247.7	248.0	253.4	250.1	29,203	29,049	9,150
July		--	--	251.5	248.7	29,414	29,714	11,914
August	3,705r/	251.4	251.0	250.1	247.3	29,979	29,981	12,115
September		--	--	251.6	249.6	30,175	30,939	11,582
October		252.6	251.9	254.9	252.6	30,961	30,809	12,040
November	3,259	--	--	258.4	255.5	31,832	30,802	11,312
December		255.7	254.9	262.2	258.7	32,213	30,041	10,690
1981								
January		--	--	262.7	259.4	32,168	28,806	9,919
February	4,421r/	261.6	260.5	265.0	261.6	31,730	28,371	11,096
March		--	--	266.5	263.3	31,822	28,066	9,811
April		270.9	270.3	269.1	265.5	32,050	29,062	12,026
May	4,001	--	--	270.7	267.3	33,120	28,542	11,246
June		274.3	274.0	271.7	267.9	33,882	27,891	11,540
July		--	--	276.3	272.2	34,365	27,533	10,786
August	5,163	287.2	287.9	278.6	274.8	35,035	27,385	9,622
September		--	--	282.9	279.3	35,306	28,537	11,417
October		295.6	297.0	284.9	281.3	35,082	27,124	11,045
November		--	--	285.5	281.8	35,173	27,684	10,618
December		292.7	294.0	286.1	282.3	35,539	28,060	10,548
1982								
January		--	--	289.8	285.6	36,176	28,359	10,748
February		278.8	295.8	289.4	285.6	36,587	27,290	
March		--	--	290.4	286.6			

a/Annual basis.
b/Quarterly data.
c/Not adjusted for seasonal variation.
r/Revised

2943A

CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national events of general interest have also been included.

1961

February 17-23	National airline strike.
March 9-13	California dock strike by Teamsters.
May 5	Minimum wage legisation signed: $1.15 for 2 years, $1.25 thereafter.
June 16-July 4	National maritime strike. Strike resumed September 28-October 12 against owners of 1/3 West Coast merchant fleet.
August 11	Duty exemption for U.S. travelers returning from abroad cut from $500 to $100.
August 26	American Motors Corporation--UAW profit-sharing pact announced.
September 6-24	UAW-GM strike.
October 3-15	UAW-Ford strike.

1962

January 1	Federal Reserve Board and Federal Deposit Insurance Corporation authorize commercial banks to raise interest rates to 3-1/2 percent on all savings and time deposits of six months or longer, and to 4 percent on deposits of one year or more.
March 16-April 11	West Coast maritime strike.
May 1-June 26	Northern California construction strike. Southern California strike, June 18-27. San Diego strike, June 21-July 10.
May 28	"Blue Monday." Dow Jones Industrial Average dow 34.95 points, sharpest drop since October 28, 1929. Week of May 21-25: average down 38.82, largest one-week decline on record.
July 10	Stock margin requirements cut from 70 percent to 50 percent.
July 11	Revision of depreciation schedules announced by Treasury.

1963

October 18	Commercial bank reserve requirements against time deposits reduced from 5 percent to 4 percent.
June 5	Silver backing for Treasury silver certificates removed to ease pressure on silver prices. Sale of silver from Treasury stockpile started September 12.
July 17	Discount rate raised from 3 percent to 3-1/2 percent.
November 5	Stock margin requirements raised from 50 percent to 70 percent.
November 22	President Kennedy assassinated.

1964

February 26	Federal income tax cut measure signed into law. Reflected in withholding rates effective March 5. Individual tax rates cut from 20 percent to 91 percent range to 14 percent to 70 percent range. Corporation reduction to 48 percent from 52 percent.
September 25-November 8	UAW strike against GM.
November 23	Discount rate increased from 3-1/2 percent to 4 percent.
December 22-24	Northern Calfornia floods.

1965

March 1-23	Strike by steel workers at American and Continental can companies.
June 16-August 7	Northern California construction strike.
June 17-July 19	Southern California construction strike.
August 11-17	Los Angeles riots, Watts area.
December 6	Discount rate raised from 4 percent to 4-1/2 percent.

1965--Continued

December 13	Permitted interest on savings accounts raised from 4-1/2 percent to 5-1/2 percent under Regulation Q.

1966

January 1	Increased social security taxes in effect.
February 8	FHA interest rate raised from 5-1/4 percent to 5-1/2 percent, no change in 1/2 percent loan insurance rate.
March 11	Prime rate raised from 5 percent to 5-1/2 percent in Eastern financial markets.
March 16	Auto excise tax raised from 6 percent to 7 percent.
April 1	Telephone excise tax of 10 percent reinstated.
April 12	FHA interest rate increased from 5-1/2 percent to 5-3/4 percent.
May 1	Increased withholding tax rates in effect.
June 30	Prime rate raised from 5-1/2 percent to 5-3/4 percent in New York, Chicago.
July 8-August 20	Airline strike.
August 16	Prime rate up to 6 percent, Eastern cities.
October 3	FHA interest rate raised from 5-3/4 percent to 6 percent.
October 10	Suspension of 7 percent investment credit and accelerated depreciation allowance.

1967

January 26	Prime rate lowered from 6 percent to 5-1/2 percent.
February 1	Minimum wage increased to $1.40 from $1.25 per hour.
March 9	Investment tax credit and accelerated depreciation allowance reinstated.
April 7	Discount rate lowered from 4-1/2 percent to 4 percent.

1967--Continued

April 21-July 26	Rubber strike.
July 15-March 20, 1968	Copper strike.
August 30	Steel price rises announced.
September 6-October 25	UAW strike against Ford.
November 20	Discount rate raised from 4 percent to 4-1/2 percent. Prime rate increased from 5-1/2 percent to 6 percent.
December 15	Los Angeles (Herald Examiner) newspaper strike.
December 27	Increase of 1/2 percent in reserve requirements announced. Effective in two stages during January 1968.

1968

January 1	Wage base for social security contributions raised from $6,600 to $7,800.
January 5-February 25	San Francisco newspaper strike.
February 1	Minimum wage increased to $1.60 from $1.40 per hour.
March 1	Increase in social security benefit payments, averaging 13 percent.
March 15	Discount rate raised from 4-1/2 percent to 5 percent. San Francisco increase effective March 18; New York up March 22. Highest level since 1929.
March 15-April 1	Trading in London gold market suspended. Two-price system for gold effective March 18 by London gold pool countries.
April 1	Personal income tax surcharge. See June 28.
April 1-June 13	San Francisco area machinists and electrical workers strike.
April 19	Discount rate raised to 5-1/2 percent. Prime rate increased from 6 percent to 6-1/2 percent.
May 7	FHA interest rate raised from 6 percent to 6-3/4 percent.
May 16	UAW suspended from AFL-CIO.

1968--Continued

June 8	Stock margin requirements raised from 70 percent to 80 percent.
June 28	Tax surcharge and $6 billion Federal spending cut legislation signed by President Johnson. 10 percent surcharge retroactive to April 1 for individuals, January 1 for corporations.
July 15	Increased personal income tax withholding in effect.
August 16-29	Federal reserve discount rate lowered from 5-1/2 percent to 5-1/4 percent.
September 25	Prime rate lowered from 6-1/2 percent to 6 percent by Chase Manhattan. (Subsequent reduction by other banks to 6-1/4 percent. Chase Manhattan rate raised to 6-1/4 percent effective November 13.)
December 2	Prime rate raised from 6-1/4 percent to 6-1/2 percent.
December 18	Federal Reserve discount rate raised from 5-1/4 percent to 5-1/2 percent. Prime rate raised from 6-1/2 percent to 6-3/4 percent.

1969

January 1	Social security contribution rate increased to combined 9.6 percent.
January 7	Prime rate raised from 6-3/4 percent to 7 percent.
January 24	FHA interest rate raised from 6-3/4 percent to 7-1/2 percent.
March 17	Prime rate raised from 7 percent to 7-1/2 percent.
April 3	Discount rate raised from 5-1/2 percent to 6 percent; reserve requirement raised.
June 9	Prime rate raised from 7-1/2 percent to 8-1/2 percent.
June 12	Required liquidity reserves of savings and loan associations lowered from 6-1/2 percent to 6 percent.

1970--Continued

October 27-February 1970	General Electric strike.

1970

January 1	Personal income tax surcharge reduced to 5 percent. Withholding cut.
January 5	FHA interest rate raised from 7-1/2 percent to 8-1/2 percent.
January 21	Increased schedule of interest rates on time deposits and certificates of deposit in effect.
March 25	Prime rate reduced from 8-1/2 percent to 8 percent.
April 2-June 2	Teamster strike.
May 6	Stock margin requirement cut from 80 percent to 65 percent.
July 1	Personal income tax surcharge removed.
September 14-November 23	UAW strike against GM.
September 22	Prime rate reduced from 8 percent to 7-1/2 percent.
November 10	Discount rate reduced from 6 percent to 5-3/4 percent.
November 12	Prime rate reduced from 7-1/2 percent to 7-1/4 percent.
November 23	Prime rate reduced from 7-1/4 percent to 7 percent.
December 1	Discount rate reduced from 5-3/4 percent to 5-1/2 percent. FHA interest rate reduced from 8-1/2 percent to 8 percent.
December 20	13-week extended duration unemployment benefits in effect.
December 22	Prime rate reduced from 7 percent to 6-3/4 percent.

1971

January 6	Prime rate reduced from 6-3/4 percent to 6-1/2 percent.

1971--Continued

January 8	Discount rate reduced from 5-1/2 percent to 5-1/4 percent.
January 12	FHA interest rate reduced from 8 percent to 7-1/2 percent.
January 15	Prime rate reduced from 6-1/2 percent to 6-1/4 percent.
January 18	Prime rate reduced from 6-1/4 percent to 6 percent.
January 19	Discount rate reduced from 5-1/4 percent to 5 percent.
February 4	Rolls Royce bankruptcy announced.
February 9	Los Angeles earthquake.
February 12	Discount rate reduced from 5 percent to 4-3/4 percent.
February 16	Prime rate reduced from 6 percent to 5-3/4 percent.
February 23	Davis Bacon Act regulating construction wages on Federal projects suspended. Suspension revoked on March 29. Wage-price curbs ordered.
March 16	Prime rate reduced from 5-3/4 percent to 5-1/2 percent.
March 17	Social security bill signed. Benefits raised 10 percent, retroactive to Jaunary 1, 1971. Contribution base raised to $9,000 effective January 1, 1972.
March 25	SST program terminated.
April 1	Interest rates on savings accounts in California banks generally reduced from 4-1/2 percent to 4 percent.
April 23	Prime rate raised from 5-1/4 percent to 5-1/2 percent.
May 1	Liquidity ratio for savings and loan associations raised from 6-1/2 percent to 7-1/2 percent.
May 17-18	Rail strike.
June 1-July 27	Communications workers strike against Western Union.

1971--Continued

June 15-21	Prime rate increased from 5-1/2 percent to 5-3/4 percent. General rise to 6 percent on July 7.
June 29-July 16	Northern California construction strike.
July 1-October 6	West Coast dock strike.
July 14-August 2	Telephone strike.
July 15	Discount rate raised from 4-3/4 percent to 5 percent.
July 16-August 2	Rail strike.
July 31	Steel strike averted by accord on contract.
August 2	Lockheed loan guarantee approval.
August 3	Teamsters walkout in Northern California against building contractors.
August 15-November 13	President's economic policy message; 90-day wage-price freeze in effect.
October 1	East and Gulf Coast longshoremen's strike.
October 20	Prime rate reduced from 6 percent to 5-3/4 percent. Further reduction to 5-1/2 percent or November 4.
November 11	Discount rate reduced from 5 percent to 4-3/4 percent.
November 14	Phase II of NEP in effect.
December 6	Stock margin requirements cut from 65 percent to 55 percent.
December 10	Revenue Act of 1971 signed into law.
December 13	Discount rate reduced from 4-3/4 percent to 4-1/2 percent. Prime rate lowered from 5-1/2 percent to 5-1/4 percent.*
	Intent to devalue U.S. dollar announced.

* Adoption of a floating prime rate in November 1971 has resulted in frequent minor adjustments in the rate. Information on the range of rates at any one time and the rate charged by the majority of commercial banks may be obtained from the Federal Reserve Bulletin.

1972

January 17-February 20	West Coast dock strike continued.
February 1-March 15	Kaiser Steel Company strike.
July 1	20 percent increase in social security benefits signed into law. Effective September.
September 11	Opening of BART Fremont-Oakland line.
September 21	"Friends of Mammoth" decision.
November 24	Stock margin requirements raised to 65 percent.

1973

January 11	Phase III of NEP in effect.
January 15	Discount rate raised from 4-1/2 percent to 5 percent.
January 27	Viet Nam cease fire signed.
January 29	Opening of BART Richmond-Oakland line.
February 12	10 percent devaluation of U.S. dollar announced.
March 2	Major foreign currency exchanges closed.
March 29	Price controls of meat announced.
April 9-13	Consumer meat boycott.
April 23	Discount rate raised from 5-1/2 percent to 5-3/4 percent.
May 10	Discount rate raised from 5-3/4 percent to 6 percent.
June 11	Discount rate raised from 6 percent to 6-1/2 percent.
June 14	60-day price freeze announced.
July 2	Discount rate raised from 6-1/2 percent to 7 percent. Increased reserve requirement on net demand deposits.
July 6	Interest rates increased: FHA mortgage rate: 7 percent to 7-3/4 percent; bank savings rate: 4-1/2 percent to 5 percent; savings and loan rate: 5 percent to 5-1/4 percent.

1973--Continued

July 18	Phase IV announced.
August 27	Prime rate at 9-3/4 percent in major institutions.
October 17	Arab nations announce reductions in oil shipment.
November 5-December 18	TWA strike.

1974

January 3	Stock margin requirements cut from 65 percent to 50 percent.
February 1-11	Independent truckers strike, midwest and east coast.
February 15	Prime rate reduced to 9 percent.
February 22	Prime rate reduced to 8-3/4 percent.
March 4	California minimum wage increased to $2.00 per hour from $1.65.
March 18	Arab oil embargo lifted.
March 27	Prime rate increased to 9 percent from 8-3/4 percent.
March 28	Prime rate further increased to 9-1/2 percent.
April 25	Federal Reserve raised discount rate to 8 percent from 7-1/2 percent.
April 29	Prime rate up to 10-3/4 percent.
April 30	Phase IV controls lifted in approximately 165 sectors of the economy.
June 17-August 4	San Diego construction strike.
June 17-July 21	Northern California construction strike.
July 1-Mid-August	Southern California construction strike.
July 1	Transit strikes, San Francisco Bay Area.
August 2-October 21	Los Angeles area transit strike.
August 8	Resignation of President Nixon announced.

1974--(Continued)

August 14 — FHA mortgage rate raised to 9-1/2 percent.

Prime rate reduced from 12 percent to 11-3/4 percent on limited basis. Prevailing rate on date of major changes:

October 21....11 1/2 percent
October 28....11 1/4 percent
November 4....11 percent
November 14...10 3/4 percent
November 25...10 1/2 percent

October 8 — Prime rate reduced from 12 percent to 11-3/4 percent by several more large banks.

November 12-December 9 — Coal strike.

December 9 — Discount rate reduced from 8 percent to 7-3/4 percent.

1975

January 6 — Federal Reserve discount rate cut from 7-3/4 percent to 7-1/4 percent.

January 10 — Oil Chemical Atomic Workers Union strike.

January 13 — Prime rate reduced to 10 percent. Further major cuts as follows:

Jannuary 21.....9 3/4 percent
January 31.....9 percent
February 6.....8 3/4 percent
February 19.....8 1/2 percent
March 3.....8 1/4 percent
March 8.....8 percent

January 21 — FHA mortgage rate reduced from 9 percent to 8-1/2 percent.

February 5 — Federal Reserve discount rate cut from 7-1/4 percent to 6-3/4 percent.

March 10 — Federal Reserve discount rate cut from 6-3/4 percent to 6-1/4 percent.

March 24 — Prime rate reduced to 7-1/2 percent by most major banks.

March 25 — King Faisal assassinated.

March 29 — Tax reduction act signed into law.

May 19 — Prime rate reduced to 7-1/4 percent by several major banks.

June 10 — Prime rate reduced to 7 percent by most banks.

1975--Continued

July 18 — Prime rate increased to 7-1/4 percent. Further gains as follows:

July 25.....7-1/2 percent
August 11.....7-3/4 ercent
September 15....8 percent

September 1 — National Airlines strike.

October 16 — Reserve requirement on time deposits reduced from 3 percent to 1 percent.

October 24 — Prime rate reduced to 7-3/4 percent. Further reductions as follows:

October 31.....7-1/2 percent
November 21.....7-1/4 percent

December 5-19 — United Airlines strike.

1976

January 12 — Prime rate lowered to 7 percent.

January 19 — Federal Reserve discount rate lowered from 6 percent to 5-1/2 percent.

January 21 — Prime rate reduced to 6-3/4 percent.

April 1-3 — Teamsters strike.

April 9-June 4 — Prime rate moving upward, 6-3/4 percent to 7-1/4 percent at most major banks.

April 21 — Rubber workers strike.

July 20-August 2 — Cannery workers strike.

August 2 — Prime rate reduced to 7 percent. Further reductions as follows:

October 4.....6-3/4 percent
October 29.....6-1/2 percent
December 10.....6-1/4 percent

September 15-October 13 — Auto workers strike.

October 18 — California minimum wage raised to $2.50 per hour.

December 22 — Prime rate reduced to 6 percent by Chase Manhattan Bank. Most banks maintain a prime rate of 6-1/4 percent.

1977

May 16 — Prime rate raised to 6-1/2 percent.

1977--Continued

May 31	Prime rate raised to 6-3/4 percent.
August 22	Prime rate raised to 7 percent.
August 30	Federal Reserve discount rate raised from 5-1/4 percent to 5-3/4 percent, the first increase since April 1974.
September 16	Prime rate raised to 7-1/4 percent.
October 1-November 24	Longshoremen's strike against East and Gulf Coast ports.
October 7	Prime rate raised to 7-1/2 percent.
October 10-January 4	IAM-Lockheed strike.
October 24	Prime rate raised from 7-1/2 percent to 7-3/4 percent.
October 26	Discount rate raised from 5-3/4 percent to 6 percent.
December 6-March 24	United Mine Workers strike.

1978

January 1	U.S. minimum wage increased to $2.65 per hour.
January 9	Discount rate raised from 6 percent to 6-1/2 percent.
January 10	Prime rate raised to 8 percent.
February 28	FHA mortgage rate raised from 8-1/2 percent to 8-3/4 percent.
April 1	California minimum wage increased from $2.50 to $2.65 per hour.
April 1-May 28	United Airlines strike.
May 4	Prime rate raised from 8 percent to 8-1/4 percent.
May 8	California savings and loan assocations raised mortgage rates from 9-3/4 percent to 10 percent.
May 12	Discount rate raised to 7 percent.

1978--Continued

May 23	Federal funds rate increased to 7-1/2 percent.
	FHA-VA mortgage rate raised from 8-3/4 percent to 9 percent.
May 26	Prime rate raised from 8-1/4 percent to 8-1/2 percent.
June 6	Proposition 13 approved by California voters.
June 16	Prime rate raised to 8-3/4 percent.
June 20	OPEC announced a freeze on crude oil prices until December 16.
June 22	Federal funds rate raised from 7-1/2 percent to 7-3/4 percent.
June 29	FHA-VA mortgage rate raised to 9-1/2 percent.
June 30	Prime rate raised to 9 percent.
July 10	Discount rate raised to 7-1/4 percent.
July 18	Teamsters union strike affecting supermarkets throughout Northern California.
August 20	Retail clerks union strike in Southern California.
August 21	Discount rate raised to 7-3/4 percent.
August 29	Federal funds rate raised from 8-1/8 percent to 8-1/4 percent.
August 31	Prime rate raised by some eastern banks from 9 percent to 9-1/4 percent.
September 15	Prime rate raised to 9-1/2 percent.
September 22	Discount rate raised from 7-3/4 percent to 9-3/4 percent.
September 28	Prime rate raised from 9-1/2 percent to 9-3/4 percent.
October 12	Prime rate raised from 9-3/4 percent to 10 percent.

1978--Continued

October 15	Tax cut and energy bills passed by Congress.
October 16	Discount rate raised from 8 percent to 8-1/2 percent.
October 18	Federal funds rate raised from 8-3/4 percent to 8-7/8 percent.
October 24	Prime rate raised from 10 percent to 10-1/4 percent.
	California mortgage rates raised from 10 percent to 10-1/4 percent at several savings and loan institutions.
October 24	Phase II announced: voluntary guidelines on wages and prices.
November 1	Discount rate raised from 8-1/2 percent to 9-1/2 percent.
	Prime rate raised to 10-1/2 percent.
November 3	Prime rate raised from 10-1/2 percent to 10-3/4 percent.
November 13	Prime rate raised from 10-3/4 percent to 11 percent.
November 24	Prime rate raised to 11-1/2 percent.
November 27	Federal funds rate raised from 9-3/4 percent to 9-7/8 percent.
December 4	Rollover for 6-month certificates of deposit (CDs) began this week.
December 19	Federal funds rate raised to 10 percent.
December 20	Prime rate raised to 11-3/4 percent.

1979

January 1	U.S. minimum wage increased to $2.90 per hour.
January 13	Prime rate reduced to 11-1/2 percent.
March 15	Terms for MMCs changed. 1/4 point differential over 9 percent eliminated.

1979--Continued

March 27	OPEC price increases: 9 percent. Selected surcharges imposed.
March 31	United Airlines-machinist strike.
April 1-10	Teamsters strike.
May 7	Prime rate moved to 11-3/4 percent from 11-1/2 percent.
May 19	Federal funds rate set at 7-1/4 percent.
May 26	United Airlines strike ended.
May 30	Interest rate on conventional mortgages raised to 11-3/4 percent.
June 12	Prime rate reduced to 11-1/2 percent.
July 1	Interest rates on passbook accounts up to 5.5 percent at Savings and Loans and 5.25 percent for banks.
July 20	Discount rate raised from 9-1/2 percent to 10 percent.
August 16	Discount rate raised to 10-1/2 percent.
August 24	Federal funds rate raised from 11 percent to 11-1/4 percent.
August 26-September 10	Los Angeles Rapid Transit District strike.
August 28	Prime rate raised from 12 percent to 12-1/4 percent.
August 31-November 21	BART strike.
September 4	Federal funds rate raised from 11-1/percent

1980

February 25	Prime rate raised to 16-1/2 percent.
February 27	Ceilings on interest rates for government backed mortgages raised to 13 percent.
February 29	Prime rate raised to 16-3/4 percent.

1980--Continued

March 4	Prime rate raised to 17-1/4 percent.
March 7	Prime rate raised to 17-3/4 percent.
March 13	Prime rate raised to 18-1/4 percent.
March 14	Announcement of tighter fiscal policies.
March 18	Prime rate raised to 19 percent.
April 2	Prime rate raised to 20 percent.
April 3	FHA mortgages raised to 14 percent.
April 20	Prime rate reduced to 19-1/2 percent.
April 28	FHA mortgages reduced to 13 percent.
	Prime rate reduced to 18-1/2 percent.
May 5	Prime rate reduced to 18 percent.
May 7	Prime rate reduced to 17 percent.
May 12	Prime rate reduced to 16-1/2 percent.
May 19	Prime rate reduced to 16 percent.
May 28	Discount rate lowered to 12 percent from 13 percent.
June 4	Prime rate reduced to 13 percent.
June 12	Discount rate lowered to 11 percent. Prime rate reduced to 12-1/2 percent.
June 20	Prime rate reduced to 12 percent.
June 24	Prime rate reduced to 11-1/2 percent. Some conventional mortgage rates fell to 12 percent.
June 25	Carpenters strike in Northern California ended.
July 3	ICC begins trucking industry deregulation.
July 21	Motion picture and television industry strike.

1980--Continued

July 22	Prime rate reduced to 11 percent.
July 25	Prime rate reduced to 10-3/4 percent.
July 28	Discount rate reduced to 10 percent.
August 5	Prime rate raised to 11 percent.
August 27	Prime rate raised to 11-1/2 percent.
September 5	FHA mortgage interest rate raised from 11-1/2 to 12 percent.
September 12	California morgage rate raised from 13-1/2 percent to 13-3/4 percent.
September 25	Pacific Southwest Airlines (PSA) pilots strike begins.
September 26	Discount rate raised from 10 to 11 percent. Prime rate raised from 12-1/2 percent to 12-3/4 percent.
October 2	Prime raised from 13 to 13-1/2 percent.
October 3	Prime raised to 14 percent.
October 15	AFTA workers return to work.
October 23	Screen Actors Guild strike ends.
October 30	Prime raised from 14 to 14-1/2 percent.
November 7	Prime raised from 14-1/2 to 15-1/2 percent.
November 14	PSA pilots strike ends.
November 17	Prime raised to 16 1/4 percent. Discount rate raised from 11 to 12 percent.
November 21	Prime raised to 17 percent.
November 28	Prime raised to 17-3/4 percent.
December 3	Prime raised from 17-3/4 to 18-1/2 percent.
December 5	Discount rate raised from 12 to 13 percent. Prime raised to 19 percent.
December 11	Prime raised to 20 percent.
December 17	Prime raised from 20 to 21 percent.

1980--Continued

December 23	Prime lowered from 21 to 20-1/2 percent.

1981

January 1	Minimum wage raised from $3.10 to $3.35.
January 6	Prime lowered to 20 percent.
January 20	American hostages released from Iran.
	Ronald Reagan inaugrated as 40th President of the U.S.
January 28	Deregulation of oil and gas industry announced, effective immediately.
January 29	Prime rate lowered to 19-1/2 percent from 20 percent.
February 16	General Motors and Ford rebate plans announced.
February 23	Prime rate lowered to 18 percent.
March 2	Prime rate lowered to 18-1/2 percent.
March 10	Prime rate lowered to 18 percent.
March 16	Prime rate lowered to 17-1/2 percent.
March 18	Prime rate lowered to 17 percent.
March 26	United mine workers strike.
April 13	Prime rate raised to 17-1/2 percent.
April 29	Prime rate raised to 18 percent.
May 4	Prime rate raised to 19 percent.
May 5	Discount rate raised from 13 percent to 14 percent.
May 8	FHA-VA rate up to 15-1/2 percent from 14-1/2 percent.
May 11	Prime rate raised to 19-1/2 percent.
May 22	Prime rate raised to 20 percent.
May 27	OPEC fails to agree on a uniform price schedule. OPEC officials freeze prices at current level.

1981--(Continued)

June 5	Dollar reaches highest level in international trading since December 1971.
June 8	Coal miners end 72 day strike and ratify a 40-month contract.
July 8	Prime rate raised to 20-1/2 percent.
August 3	Air traffic controller's strike.
August 14	President Reagan signs both the tax- and budget-cut bills into law.
August 18	FHA-VA rate up to 16-1/2 percent from 15-1/2 percent.
September 1	Prime rate lowered to 20 percent.
September 21	Prime rate lowered to 19-1/2 percent.
September 22	Fed surcharge cut to 3 percent from 4 percent.
October 6	Prime rate lowered to 19 percent.
	Egyptian President Sadat assassinated.
October 13	Prime rate lowered to 18 percent.
October 30	OPEC price set at $34.00/barrel--the Saudi benchmark.
November 1	Passbook interest rate raised 1/2 percent to 5-3/4 percent.
November 2	Fed discount rate cut from 14 percent to 13 percent.
	Prime rate lowered to 17-1/2 percent.
November 10	Prime rate lowered to 17 percent.
November 13	Prime rate lowered to 16-1/2 percent.
	FHA mortgage rate lowered to 15-1/2 percent.
November 16	Prime rate lowered to 16 percent.
November 17	Fed eliminates 2 percent surcharge. Discount rate unaffected.
December 1	Prime rate lowered to 15-1/2 percent.

1981--(Continued)

December 4	Fed discount rate lowered from 13 percent to 12 percent.
December 12	Martial law imposed in Poland.

1982

January 22	Federal funds rate raised to 13-1/2 percent.
January 25	FHA mortgage rate increased from 15-1/2 percent to 16-1/2 percent.
January 27	Federal funds rate raised to 13-3/4 percent.
February 2	Prime rate raised to 16-1/2 percent by Citibank and Crocker.
February 18	Prime rate increased to 17 percent.
February 24	Prime rate cut back to 16-1/2 percent.
March 1	Ford-UAW Pact ratified. Workers give up two weeks of paid time off and annual 3 percent raises.
March 8	Prime rate lowered to 16 percent.
March 16	Prime rate back up to 16-1/2 percent.
April 1	OPEC cuts production to 17.5 million barrels from current 18.2. Saudi bench mark set at $34/barrels.
April 5	Unemployment rate nationally hits 9.0 percent tying the post-WW II high in May 1975.
April 12	General Motor and United Auto Workers labor agreement approved.
April 26	The U.S. consumer price index declined 0.3 percent--the first decline in 17 years and the largest drop in nearly a quarter of a century.
May 7	U.S. unemployment rate reaches 9.4 percent for a post-WW II record.

SOURCES OF STATISTICAL SERIES

Employment Development Department *Employment Data and Research*	Civilian employment Unemployment Unemployment rate Nonagricultural employment Manufacturing employment Hours and earnings Nonagricultural placements Initial claims for unemployment insurance Insured unemployment Index for production worker man-hours
Department of Industrial Relations *Division of Labor Statistics and Research*	California consumer price index
Department of Finance	Personal income Wages and salaries Index of leading indicators
Department of Motor Vehicles	New auto registrations
State Board of Equalization	Taxable sales
Security Pacific National Bank	Housing units authorized Valuation of nonresidential construction
U.S. Department of Commerce	Retail sales
U.S. Bureau of Labor Statistics	Consumer price indices
U.S. Department of Defense	Prime defense contracts
Federal Power Commission	Electricity production
California Redwood Association	Lumber production
Conservation Committee of California Oil Producers	Petroleum production
American Iron and Steel Institute	Steel production
U.S. Bureau of Mines	Cement production
Dun and Bradstreet	Business failures and liabilities
California Secretary of State	New business incorporations
Federal Reserve Bank of San Francisco	Demand deposits Commercial and industrial loans

REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854 -

Initial trough	Peak	Terminal trough	Expansion (months)	Contraction (months)	Total (months)
Dec. 1854	June 1857	Dec. 1858	30	18	48
Dec. 1858	Oct. 1860	June 1861	22	8	30
June 1861	April 1865	Dec. 1867	46	32	78
Dec. 1867	June 1869	Dec. 1870	18	18	36
Dec. 1870	Oct. 1873	March 1879	34	65	99
March 1879	March 1882	May 1885	36	38	74
May 1885	March 1887	April 1888	22	13	35
April 1888	July 1890	May 1891	27	10	37
May 1891	Jan. 1893	June 1894	20	17	37
June 1894	Dec. 1895	June 1897	18	18	36
June 1897	June 1899	Dec. 1900	24	18	42
Dec. 1900	Sept. 1902	Aug. 1904	21	23	44
Aug. 1904	May 1907	June 1908	33	13	46
June 1908	Jan. 1910	Jan. 1912	19	24	43
Jan. 1912	Jan. 1913	Dec. 1914	12	23	35
Dec. 1914	Aug. 1918	March 1919	44	7	51
March 1919	Jan. 1920	July 1921	10	18	28
July 1921	May 1923	July 1924	22	14	36
July 1924	Oct. 1926	Nov. 1927	27	13	40
Nov. 1927	Aug. 1929	March 1933	21	43	64
March 1933	May 1937	June 1938	50	13	63
June 1938	Feb. 1945	Oct. 1945	80	8	88
Oct. 1945	Nov. 1948	Oct. 1949	37	11	48
Oct. 1949	July 1953	May 1954	45	10	55
May 1954	Aug. 1957	April 1958	39	8	47
April 1958	April 1960	Feb. 1961	24	10	34
Feb. 1961	Dec. 1969	Nov. 1970	106	11	117
Nov. 1970	Nov. 1973	March 1975	36	16	52
March 1975	Jan. 1980		58		

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CALIFORNIA ECONOMIC INDICATORS

July 1982

DEPARTMENT OF FINANCE

INTRODUCTION

California Economic Indicators is a bimonthly summary of economic trends and data relating to the State of California. Generally patterned after the U.S. Census Bureau publication Business Conditions Digest, the report contains the following regular features:

- review of economic developments
- current California economic data table
- economic indicator charts
- basic data for California economic series
- chronology of major economic events.

Developments in California over the most recent months are reviewed in a brief text, and then summarized in a current data table which shows changes over the previous year. Charts containing monthly and quarterly series from 1971 are included to facilitate the review of current developments, and to appraise the significance of the developments on the State economy. Much of the data in the report has been seasonally adjusted by the source agency or the Department of Finance.

Sources are cited on the inside back cover to assist readers in obtaining any additional information on the statistical series published. Finally, reference dates for U.S. business cycles, as determined by the National Bureau of Economic Research, are shown on the back of the publication.

Individuals or businesses seeking assistance in their economic development or job creation efforts are advised to contact the Department of Economic and Business Development. The Department can also provide additional general information on economic opportunities in California. Correspondence should be addressed to: State of California, Department of Economic and Business Development, 1120 N Street, Sacramento, CA 95814.

The Department of Finance welcomes suggestions on additions or changes which would make the Indicators a more useful publication. Correspondence should be addressed to: State of California, Department of Finance, Financial Research Unit, 1025 P Street, Sacramento, CA 95814.

Subscriptions are $5.00 per year, and begin with the January issue. The subscription price will be prorated throughout the year based upon the beginning subscription date, as shown below:

Beginning Subscription Date	Prorated Amount Due
January	$5.00
March	4.15
May	3.35
July	2.50
September	1.65
November	0.85

Mail subscription requests to the California Department of Finance, P.O. Box 151, Sacramento, CA 95801. Make checks payable to the California Department of Finance.

0804A

REVIEW OF ECONOMIC DEVELOPMENTS

The California economy showed relatively little change during the months of April, May and June. General economic conditions remained weak, although it is likely that modest gains may occur in the months ahead since many series are no longer sharply declining.

The unemployment rate in June reached 9.5 percent of the labor force--following rates of 9.3 and 9.5 percent in April and May. The recently released information for June shows essentially no change in the rate or the number of persons unemployed. The last month, however, was the seventh in a row for which the number of people seeking work exceeded one million. It should also be noted that the 9.5 percent unemployment rate in June was the highest level since November 1976.

Total nonagricultural wage and salary employment declined moderately in April and May. With the exception of trade and services, job losses during the months occurred in every major economic sector. The sharpest decreases were in construction (3.6 %), mining (2.9%), and manufacturing (1.2%). Mining employment was affected by the worldwide glut in crude oil, and the associated slowdowns in drilling and extraction activities. The construction and manufacturing sectors continue to be hurt by high interest rates and the nationwide recession.

The pace of new housing construction, while essentially showing very modest improvement in recent months, has remained above the low 57,000 rate reached in November 1981. New housing authorizations in May were at a 75,000 unit rate. The value of new nonresidential construction authorized by permits has weakened significantly, however. The $1.4 billion in new construction during April and May was 16.4 percent lower than the February and March total, and down 15.5 percent compared to the same two months in 1981. The steady gains in commercial and industrial activity during 1981 and early 1982 appears to have satisfied most--if not nearly all--of the demand in the market for such construction.

The rate of increase in the Los Angeles and San Diego consumer price indexes accelerated in May after months of easing. The recently published CPI figures contained many surprises, most of which were related to the housing sector. In San Diego, for example, the homeownership component rose by 5.5 percent between March and May. In contrast, the same component for Los Angeles was down 1.2 percent in the same period. The 1.0 percent rise in the San Francisco CPI between February and April 1982 was also largely influenced by the housing component, as homeownership costs rose 2.1 percent.

Fluctuations in housing prices and interest rates, as measured by the index, have made it more difficult than ever to forecast SMSA CPIs for specific months. The U.S. Bureau of Labor Statistics, in its latest release, noted the problems with housing and emphasized the switch to a rental equivalance measure which is to begin next January.

A revised California index of leading economic indicators is now available back to 1958. The nonagricultural job placements series, which is no longer published monthly, has been eliminated. The new index is now comprised of eight leading economic series: six relating specifically to California activity and two national series that impact on this State. Pages 3 and 4 contain a graph and table of the entire revised index.

The 1.6 percent rise in the leading indicators during May was the second consecutive monthly gain, and may indicate the beginning of recovery from the current recession. Historically, the index leads the economy by about six months at the peak of activity and about three months at its trough. However, another month or two of monitoring the index is needed to give a more conclusive report of improving conditions.

*All nonagricultural employment data represent the Interim Benchmark Series prepared by the Employment Development Department.

2096A

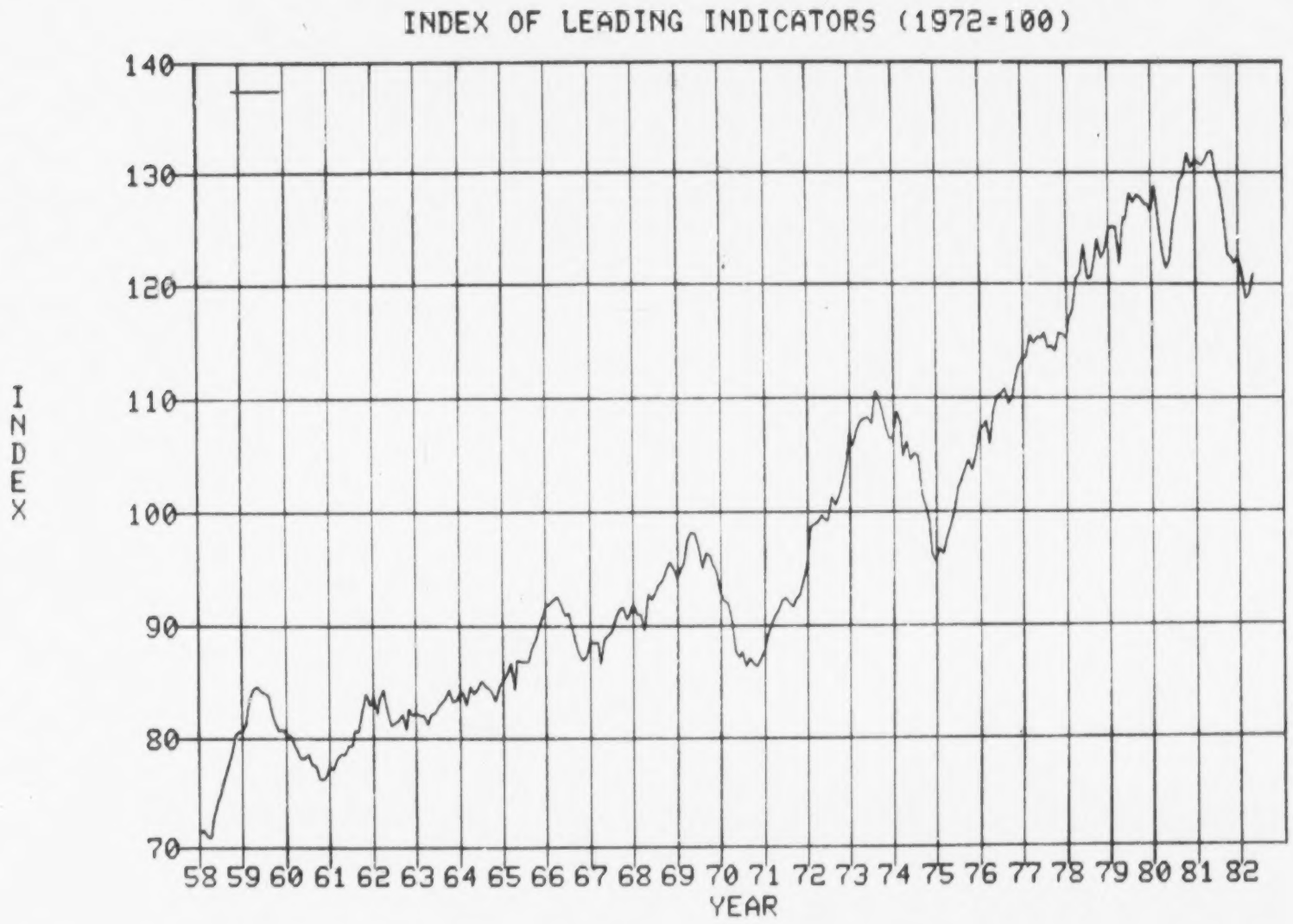
CURRENT CALIFORNIA ECONOMIC DATA

	1982				1981		Percent Change May 1981-May 1982
	May	April	Mar.	Feb.	May	April	
Employment[a]/							
Civilian employment (000)	10,993	10,943	10,865	10,935	10,978	10,974	0.1
Unemployment (000)	1,157	1,123	1,130	1,069	787	837	47.0
Unemployment rate	9.5	9.3	9.4	8.9	6.7	7.1	--
Nonagricultural wage and salary employment[b]/ (000)	9,982.9	10,000.4	10,016.4	10,054.8	10,033.3	10,013.3	-0.5
Mining	50.8	51.4	52.3	52.8	48.0	46.7	5.8
Construction	374.8	376.9	388.9	405.5	441.5	443.8	-15.1
Manufacturing	1,967.2	1,975.9	1,992.1	2,007.4	2,031.6	2,028.3	-3.2
Aerospace[c]/	627.6	627.1	629.4	627.1	634.6	632.8	-1.1
Transportation, communications, and public utilities	552.9	555.8	558.6	557.0	556.4	555.5	-0.6
Trade	2,340.7	2,347.1	2,339.2	2,339.0	2,313.8	2,303.1	1.2
Finance, insurance, and real estate	652.8	655.0	653.4	652.2	645.2	644.0	1.2
Services	2,300.7	2,296.7	2,281.0	2,288.4	2,238.9	2,230.5	2.8
Government	1,743.0	1,741.6	1,750.9	1,752.5	1,757.9	1,761.4	-0.8
Federal	322.6	323.2	325.5	326.2	322.4	323.9	0.1
State and local	1,420.4	1,418.4	1,425.4	1,426.3	1,435.5	1,437.5	-1.0
Hours and Earnings, Manufacturing							
Average weekly hours	39.3	38.8	39.2	39.1	39.8	39.2	-1.2
Average weekly earnings	$361.17	$353.47	$355.54	$353.46	$334.72	$326.93	7.9
Average hourly earnings	$9.19	$9.11	$9.07	$9.04	$8.41	$8.34	9.3
Index of Leading Indicators	121.0	119.1	118.8	121.2	131.8	131.2	-8.2
Trade							
Retail sales (millions)	n.a.	$10,475[p]	$10,467	$9,433	$10,445	$10,288	n.a.
New auto registrations (number)	n.a.	77,016	80,546	57,883	74,409	92,564	n.a.
Business							
Business failures (number)	n.a.	n.a.	n.a.	n.a.	309	211	n.a.
Business liabilities (000)	n.a.	n.a.	n.a.	n.a.	$87,758	$56,013	n.a.
New incorporations (number)	4,516	4,350	4,837	3,786	4,576	4,902	-1.3
Consumer Price Index, all items[d]/							
California average (1967=100)	--	293.2	--	292.0	--	269.6	--
San Francisco (1967=100)	--	298.8	--	295.8	--	270.3	--
Los Angeles (1967=100)	287.1	286.8	286.6	285.6	267.3	265.5	7.4
San Diego (1967=100)	329.2	--	319.0	--	297.5	--	10.6
Production							
Petroleum (000 barrels daily)	n.a.	1,095.2	1,083.2	1,100.2	1,057.2	1,016.9	n.a.
Portland cement (000 short tons)	n.a.	506.2	460.6	495.3	691.2	794.8	n.a.
Raw steel (000 net tons)	n.a.	146.4	195.9	150.9	246.1	258.1	n.a.
Selected redwood mill shipments (mil. FBM)	81.0	69.3	82.2	67.6	74.9	83.4	8.1
Construction							
Private residential housing units authorized (number)	6,889	5,778	5,860	4,279	12,046	13,171	-42.8
Nonresidential building authorized, valuation (000)	$754.4	$707.8	$885.5	$644.6	$790.5	$790.7	-4.6

a/Adjusted for seasonal variation.
b/Interim series of wage and salary workers. This unofficial series is adjusted for the latest tabulations of unemployment insurance coverage and approximates what the official data will be when estimates are updated at year end.
c/The Interim Series does not give a breakdown for aerospace employment. These values are from the EDD official employment series, and are not seasonally adjusted.
d/All urban series.

n.a. Not available

28290


INDEX OF LEADING INDICATORS (1972=100)
INDEX
140
130
120
110
100
90
80
70
58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82
YEAR

CALIFORNIA INDEX
OF
LEADING ECONOMIC INDICATORS (1972=100)

YEAR	1	2	3	4	5	6	7	8	9	10	11	12
1958	71.3	71.6	71.0	70.9	72.6	74.0	74.9	76.3	77.5	78.7	80.3	80.7
1959	80.5	81.3	83.5	84.4	84.7	84.2	84.1	83.7	82.5	81.4	80.7	80.8
1960	80.4	80.2	79.5	79.0	78.2	78.2	78.5	77.6	77.5	76.4	76.2	76.5
1961	77.4	77.1	78.1	78.6	78.5	79.3	79.3	80.7	80.5	82.5	84.0	82.9
1962	83.6	82.2	83.6	84.3	82.3	81.1	81.3	81.6	82.2	80.6	82.6	82.0
1963	82.2	82.0	82.1	81.3	82.1	82.3	82.7	83.1	83.5	84.3	83.3	83.3
1964	84.1	84.1	82.9	84.5	84.0	84.4	85.1	84.6	84.5	84.1	83.3	84.6
1965	85.1	85.7	86.6	84.3	86.9	86.8	86.8	86.8	88.1	88.7	90.0	90.9
1966	91.7	91.9	92.2	92.5	91.8	90.9	91.0	89.6	88.7	87.5	86.9	87.3
1967	88.7	88.4	88.5	86.6	88.7	89.1	89.4	90.5	91.3	91.6	90.6	90.9
1968	91.8	91.0	90.8	89.6	92.7	92.2	93.0	93.6	93.9	94.8	95.5	95.0
1969	94.0	94.9	95.3	97.5	98.2	98.1	96.8	95.0	96.4	96.1	95.3	94.6
1970	92.8	92.2	92.0	90.5	87.6	87.2	87.6	86.4	87.0	86.6	86.4	87.1
1971	87.8	88.8	89.9	90.6	91.3	92.1	92.4	92.0	91.6	92.3	92.6	93.8
1972	95.3	98.6	98.9	99.0	99.6	99.3	99.3	101.2	100.5	101.3	102.5	104.3
1973	106.7	105.8	107.2	108.0	108.1	108.3	107.7	110.6	110.1	109.0	107.6	106.4
1974	106.5	108.7	107.8	104.9	106.2	104.5	105.1	104.9	101.6	100.5	99.0	96.2
1975	95.6	96.7	96.3	97.7	98.8	100.1	102.2	102.6	103.7	104.5	103.6	105.0
1976	107.1	107.5	107.9	105.9	109.0	110.1	110.3	110.8	109.5	110.1	111.5	112.9
1977	113.4	113.5	115.5	114.7	115.4	115.3	115.7	114.4	114.5	114.0	115.7	115.6
1978	115.2	116.9	117.7	120.5	120.9	123.4	120.5	120.6	122.3	124.0	122.3	122.8
1979	124.7	125.1	125.0	121.7	125.8	125.7	128.1	127.3	128.0	127.7	127.1	127.0
1980	126.4	128.8	125.7	122.8	121.3	122.2	125.6	127.3	129.2	129.7	131.7	130.5
1981	131.0	130.9	130.7	131.2	131.8	132.0	129.8	128.6	126.1	122.6	122.4	121.8
1982	122.4	121.2	118.8	119.1	120.9	.0	.0	.0	.0	.0	.0	.0

ECONOMIC INDICATOR CHARTS

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are production worker man-hours, insured unemployment, manufacturing employment, and taxable sales. These series are discussed in the technical note below.

Data for most series are plotted monthly. Quarterly series are identified following the series title on the chart.

The Arabic numeral in the right hand corner of each graph indicates the latest month for which the data are plotted (e.g.: 7 = July).

Roman numerals indicate the latest quarter for which data are plotted (III = third quarter).

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The series on average weekly hours of production workers in manufacturing and production worker man-hours are adjusted by the Bureau of Labor Statistics method. Other series have been adjusted by the Bureau of the Census (Shiskin) method. Persons interested in a detailed description of these methods are referred to the U.S. Department of Labor, Bureau of Labor Statistics, the BLS Seasonal Factor Method (1964); and the U.S. Department of Commerce, Bureau of the Census, Technical Paper No. 15, The X-11 Variant of the Census Method II, Seasonal Adjustment Program (November 1965.)

Under the Census Bureau seasonal method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Production Worker Man-Hours

This series is a substitute for the man-hours in nonagricultural establishments series used in the Census Bureau's publication, Business Cycle Developments. It is the cross product of average weekly hours of production workers in manufacturing and manufacturing employment. Workweek data are a leading indicator. Manufacturing employment appears to be a coincident indicator, although at times it seems to lead economic downturns. Because of this, the man-hours series has been classified in the present publication as a leading indicator.

Insured Unemployment

The series on total insured unemployment is being used rather than the insured unemployment rate included in the Census Bureau's indicator list. The insured rate is available only with a lag of nine months, which precludes its usefulness as a current indicator.

Manufacturing Employment

This series is also an addition to the Census Bureau indicator list. It was used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

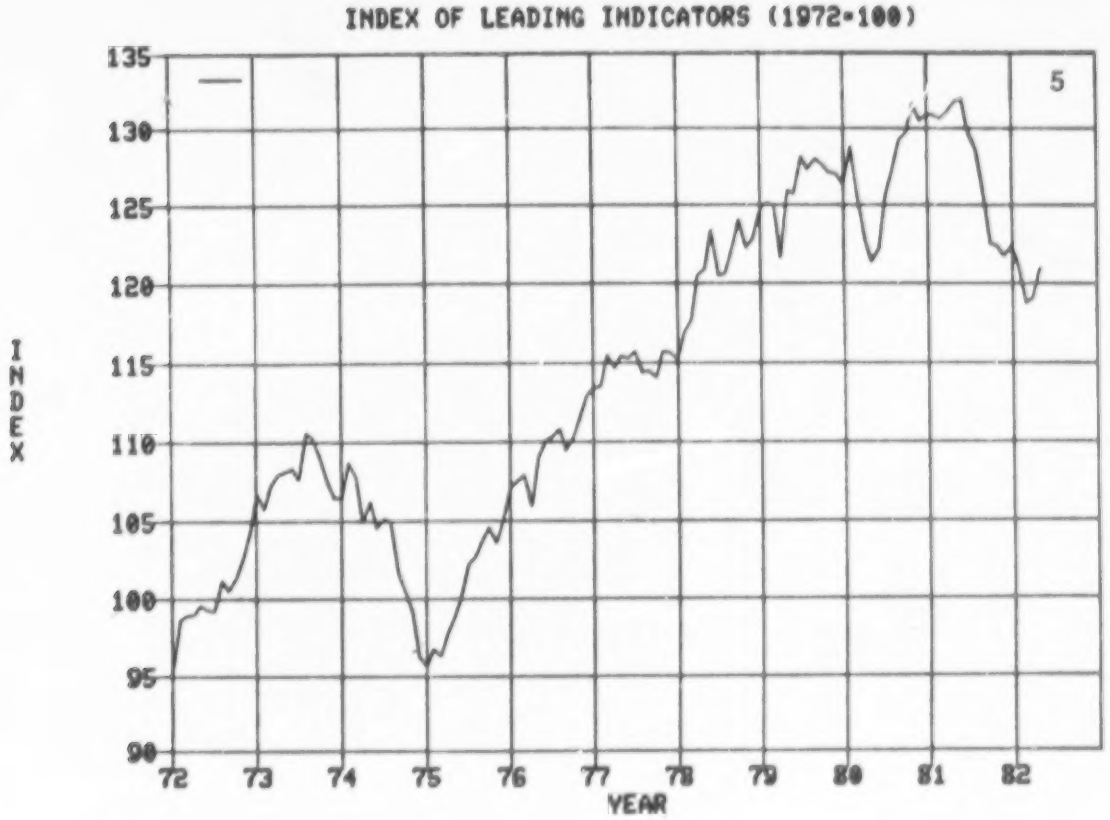
Taxable Sales

Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is therefore a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but will be of interest to persons looking at overall economic developments.

Standard Abbreviations

n.a.	Not available	p	Preliminary
e	Estimate	r	Revised


INDEX OF LEADING INDICATORS (1972=100)
INDEX
135
130
125
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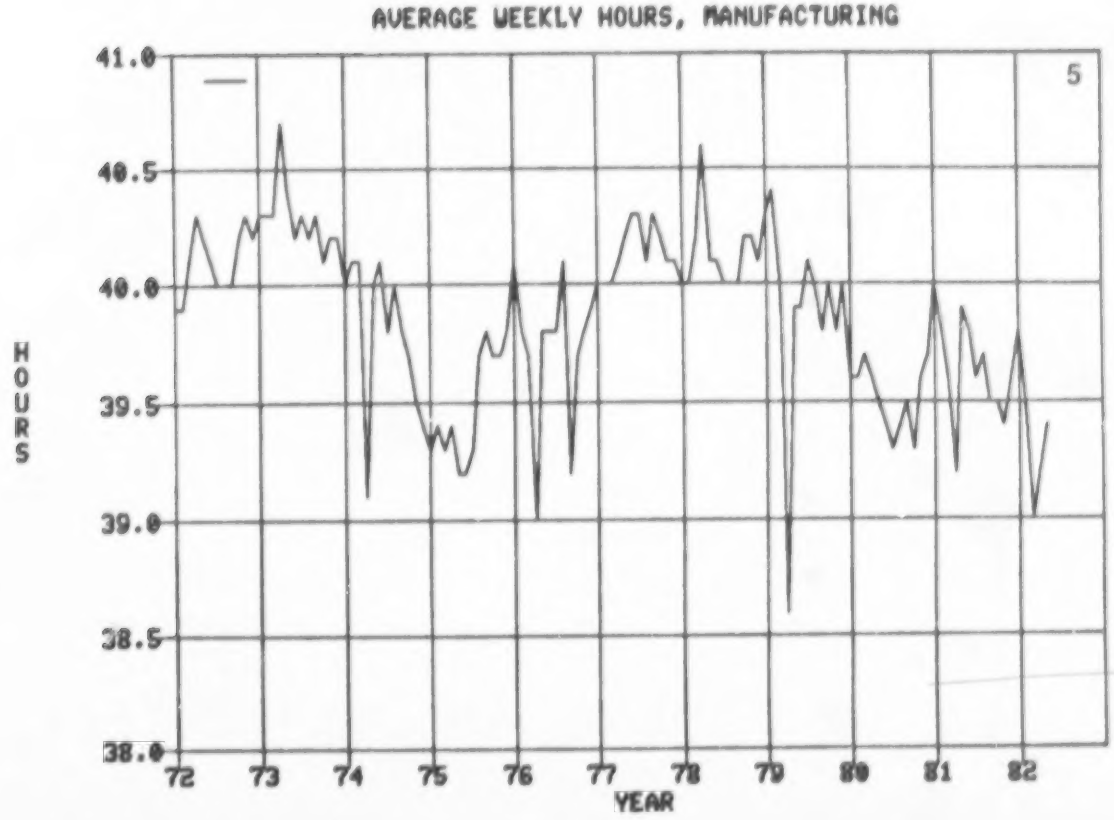
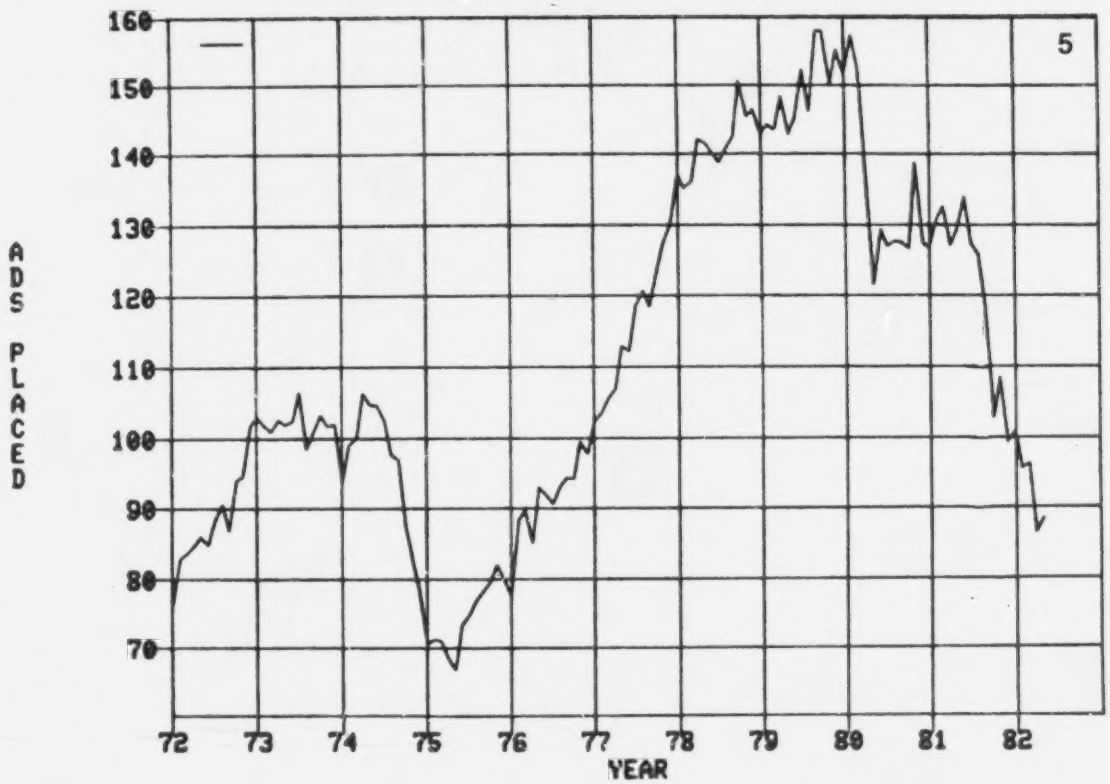
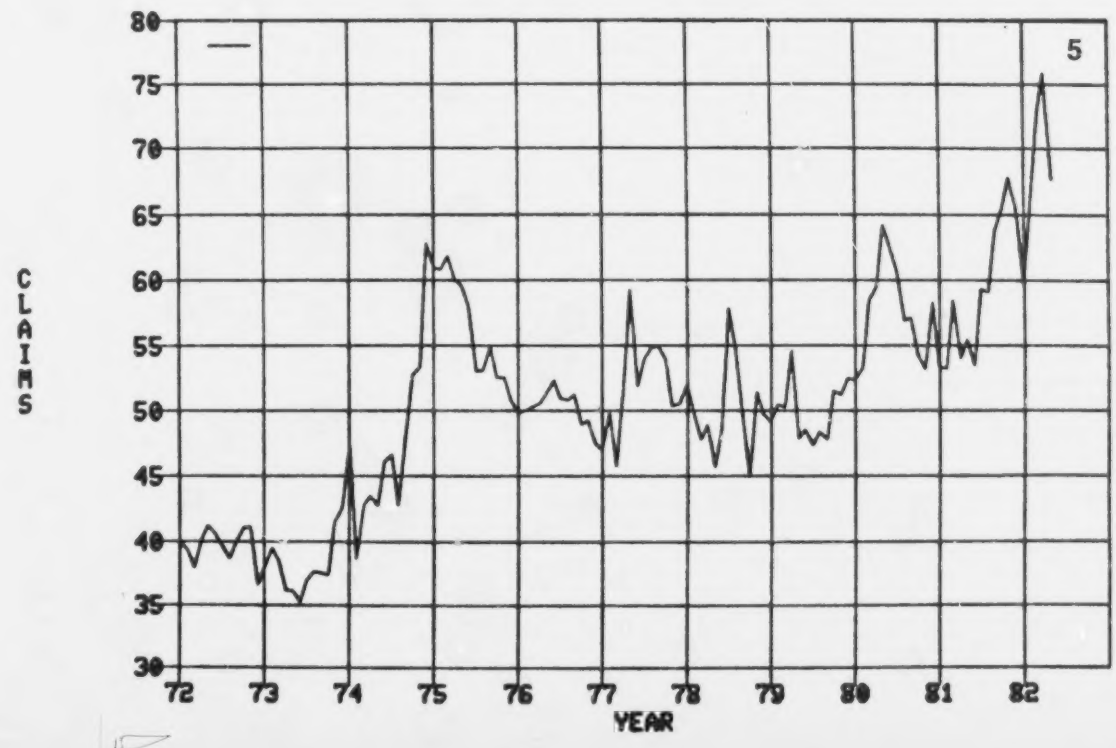
82
YEAR
5


AVERAGE WEEKLY HOURS, MANUFACTURING
HOURS
41.0
40.5
40.0
39.5
39.0
38.5
38.0
72
73
74
75
76
77
78
79
80
81
82
YEAR
5

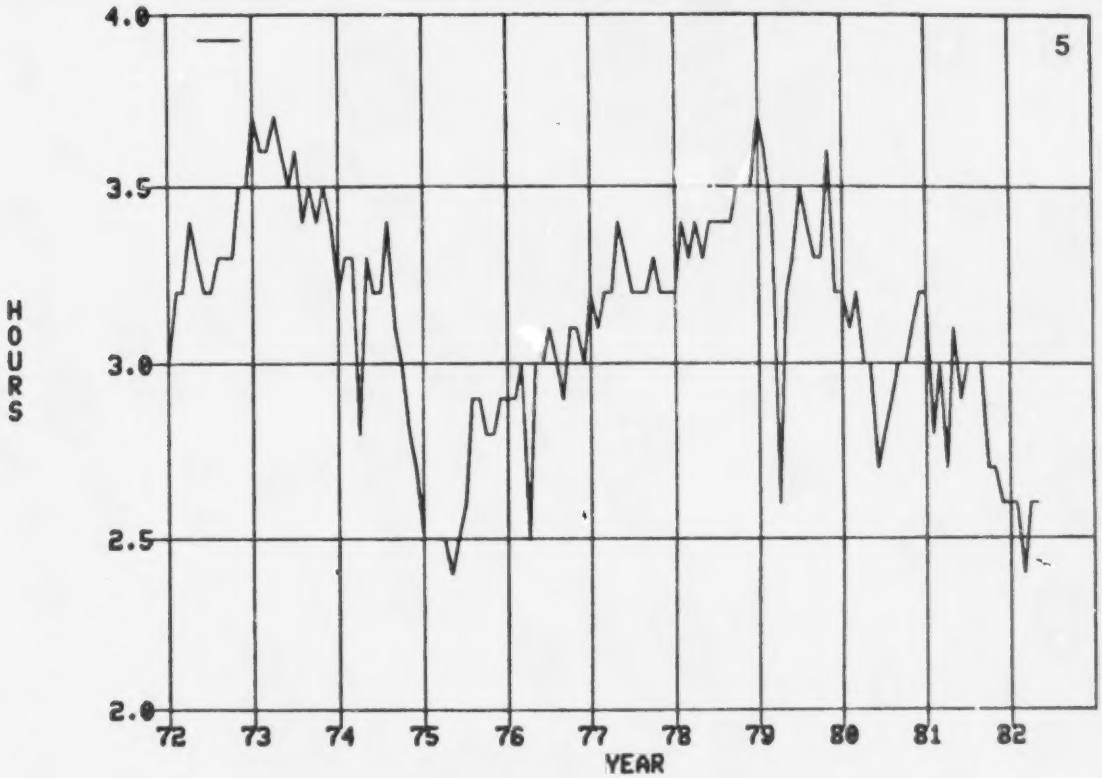
HELP WANTED ADS, LOS ANGELES (IN THOUSANDS)



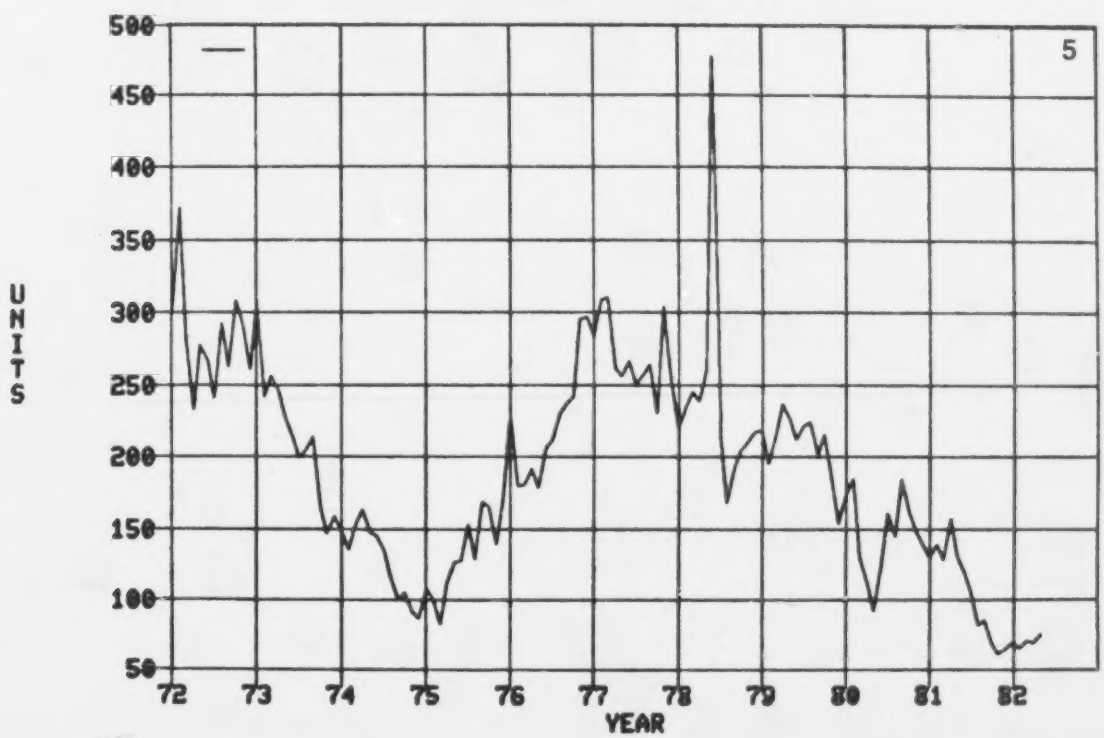
INITIAL CLAIMS FOR UNEMPLOYMENT INSURANCE,
WEEKLY AVERAGE (IN THOUSANDS)

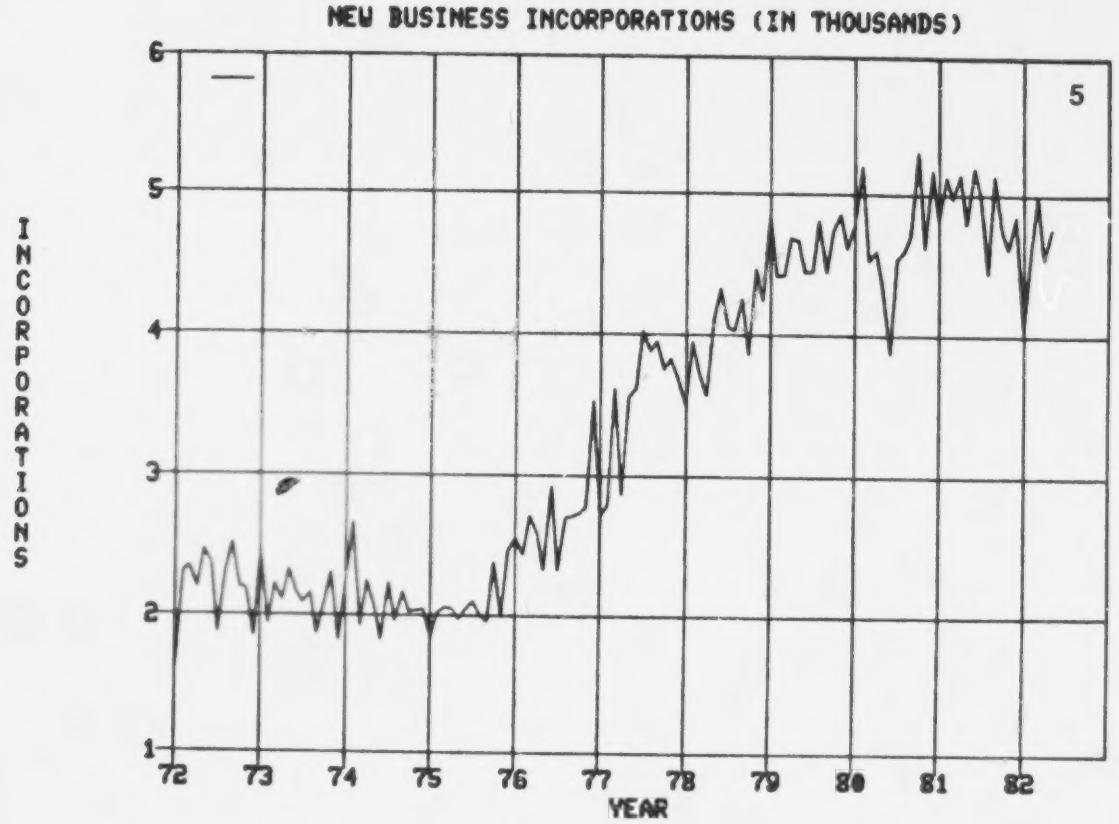


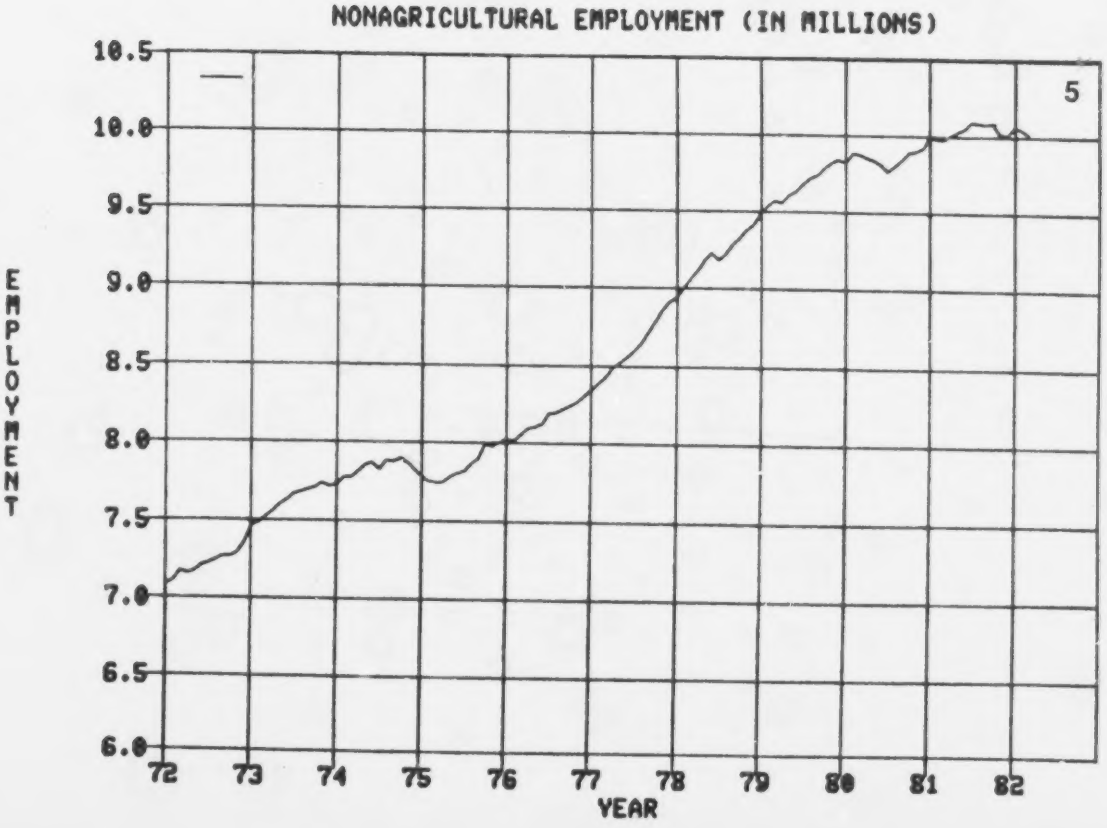
OVERTIME HOURS, MANUFACTURING

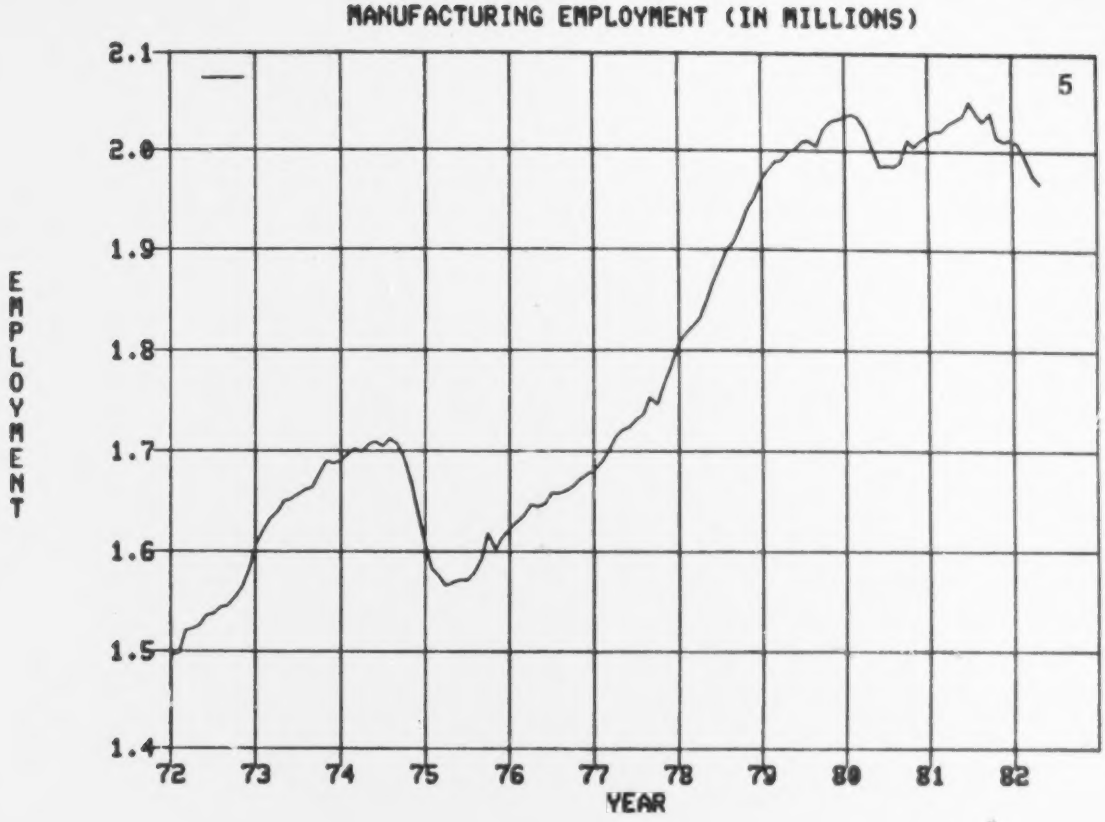


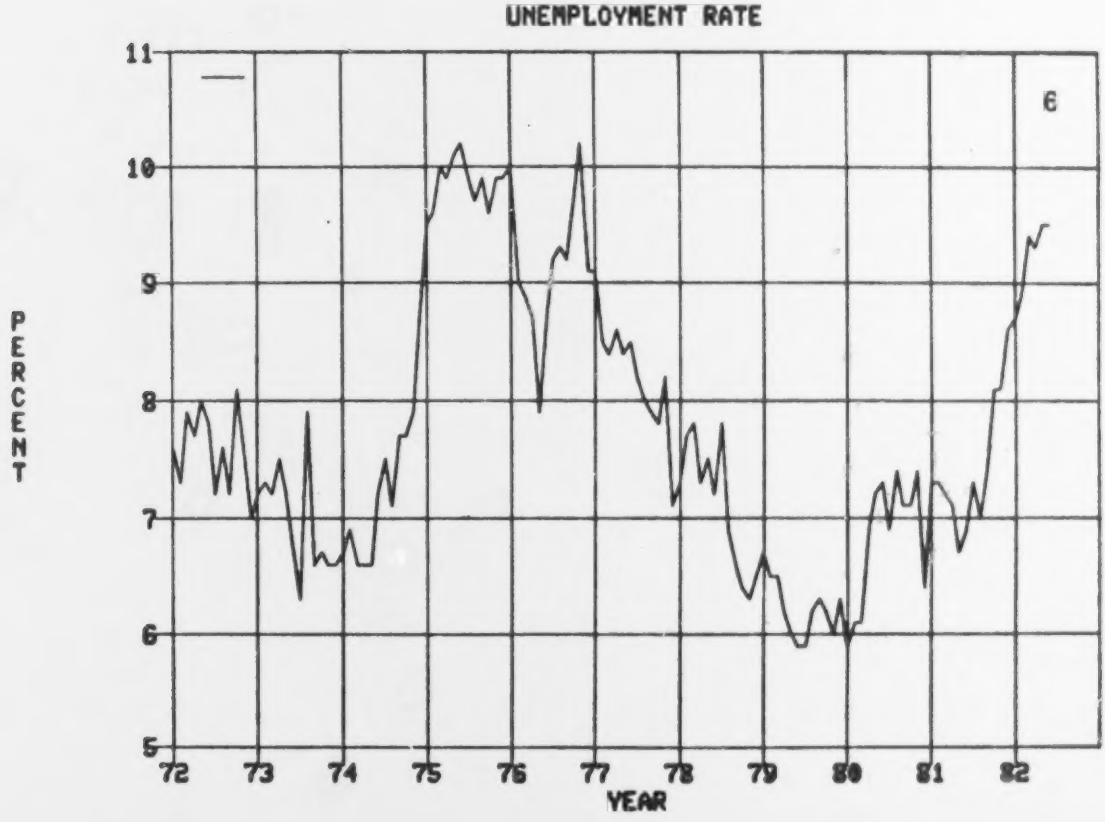
TOTAL HOUSING UNITS AUTHORIZED, ANNUAL BASIS
(IN THOUSANDS)



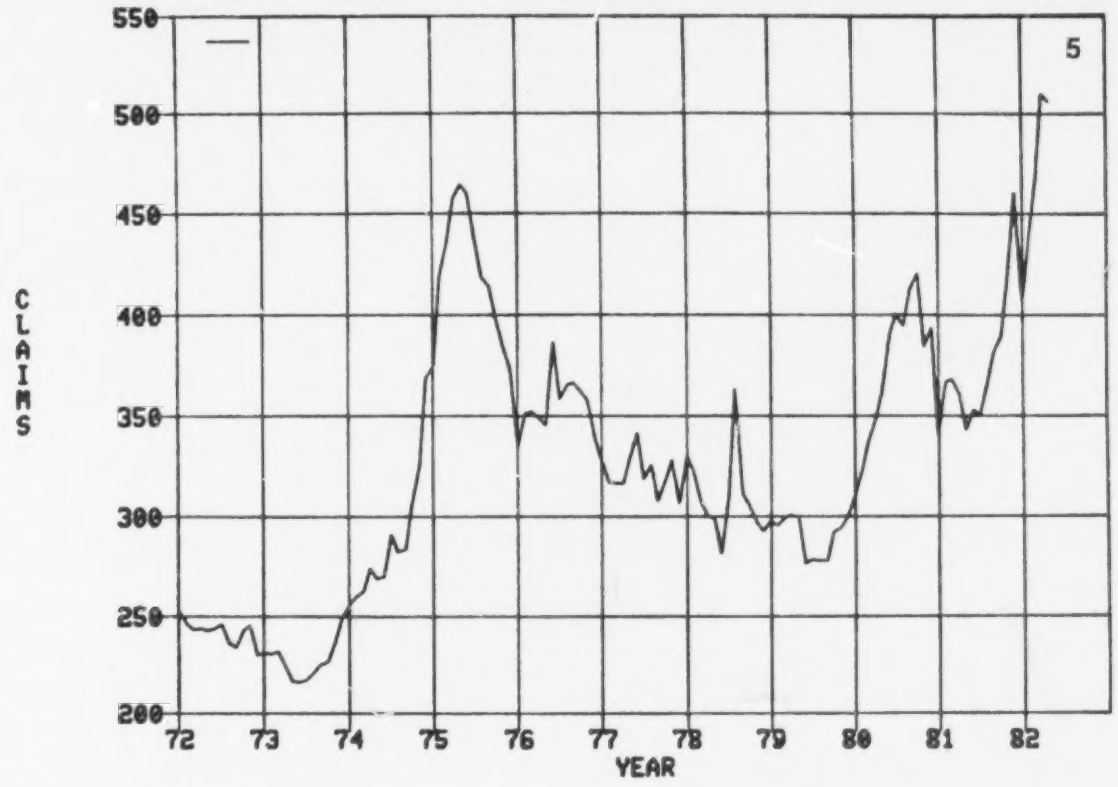

NEW BUSINESS INCORPORATIONS (IN THOUSANDS)
INCORPORATIONS
6
5
4
3
2
1
72
73
74
75
76
77
78
79
80
81
82
YEAR
5


NONAGRICULTURAL EMPLOYMENT (IN MILLIONS)
EMPLOYMENT
10.5
10.0
9.5
9.0
8.5
8.0
7.5
7.0
6.5
6.0
72
73
74
75
76
77
78
79
80
81
82
YEAR
5

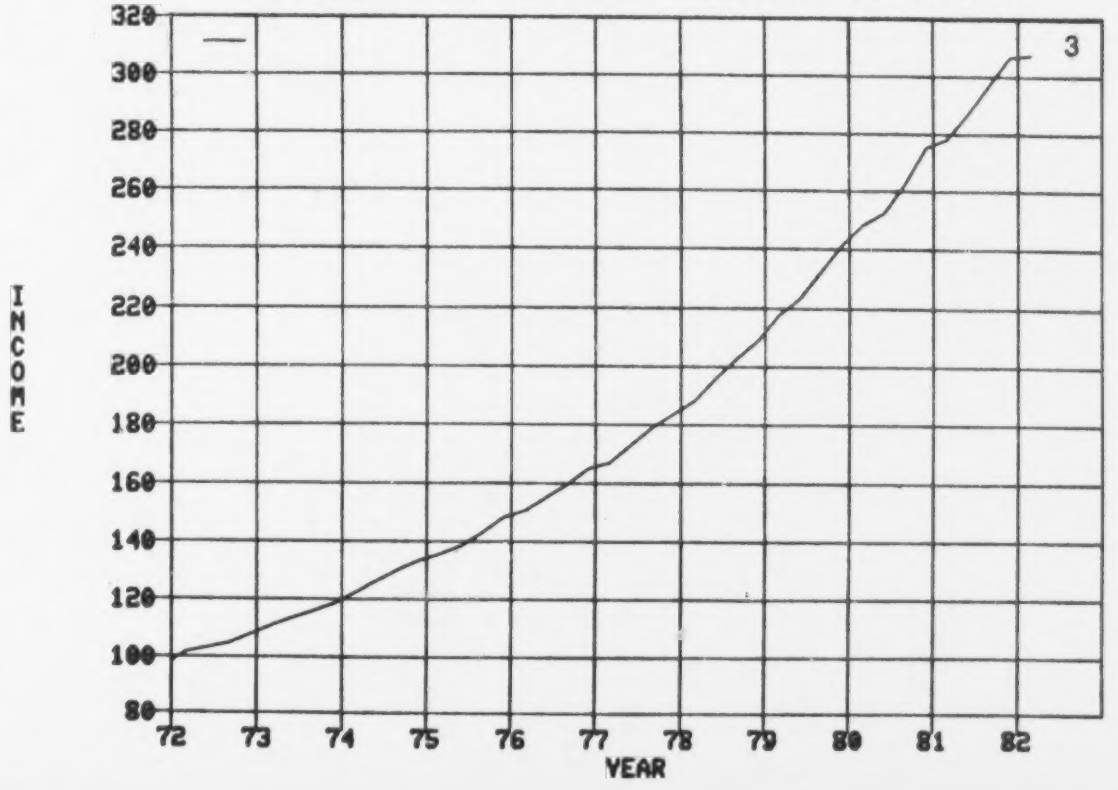

MANUFACTURING EMPLOYMENT (IN MILLIONS)
EMPLOYMENT
2.1
2.0
1.9
1.8
1.7
1.6
1.5
1.4
5
72
73
74
75
76
77
78
79
80
81
82
YEAR


UNEMPLOYMENT RATE
PERCENT
11
10
9
8
7
6
5
6
72
73
74
75
76
77
78
79
80
81
82
YEAR

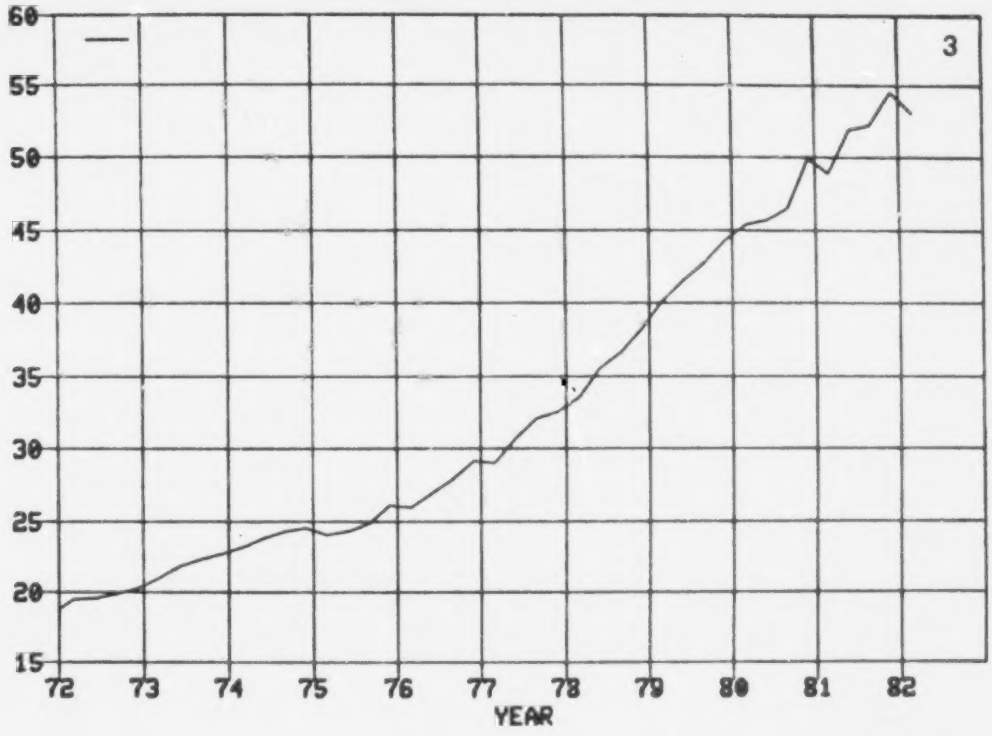
INSURED UNEMPLOYMENT, AVERAGE WEEKS CLAIMED (IN THOUSANDS)



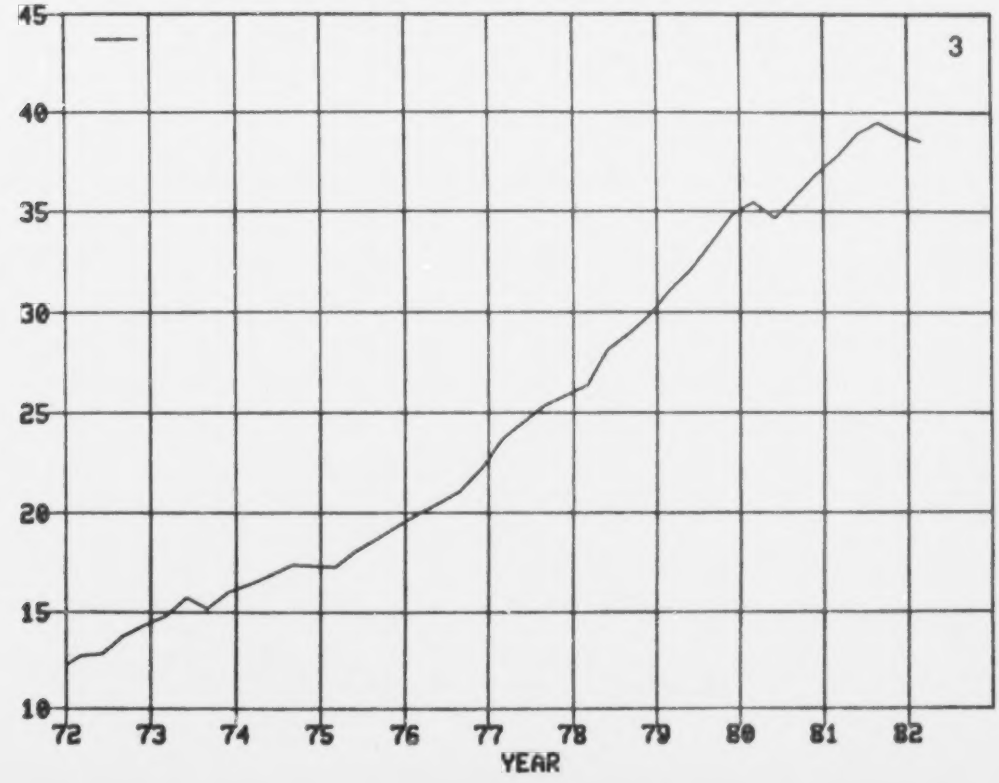
PERSONAL INCOME, QUARTERLY (IN BILLIONS OF DOLLARS)



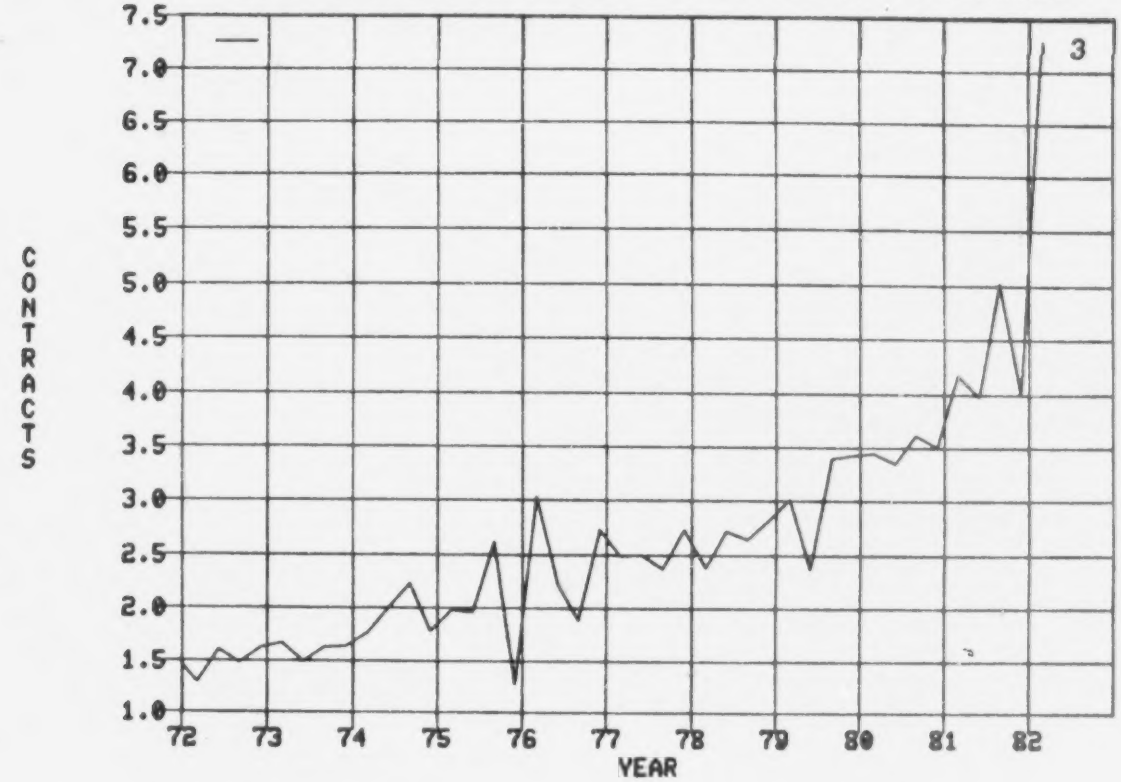
WAGES AND SALARIES FROM MINING, MANUFACTURING, AND CONSTRUCTION, QUARTERLY (IN BILLIONS OF DOLLARS)



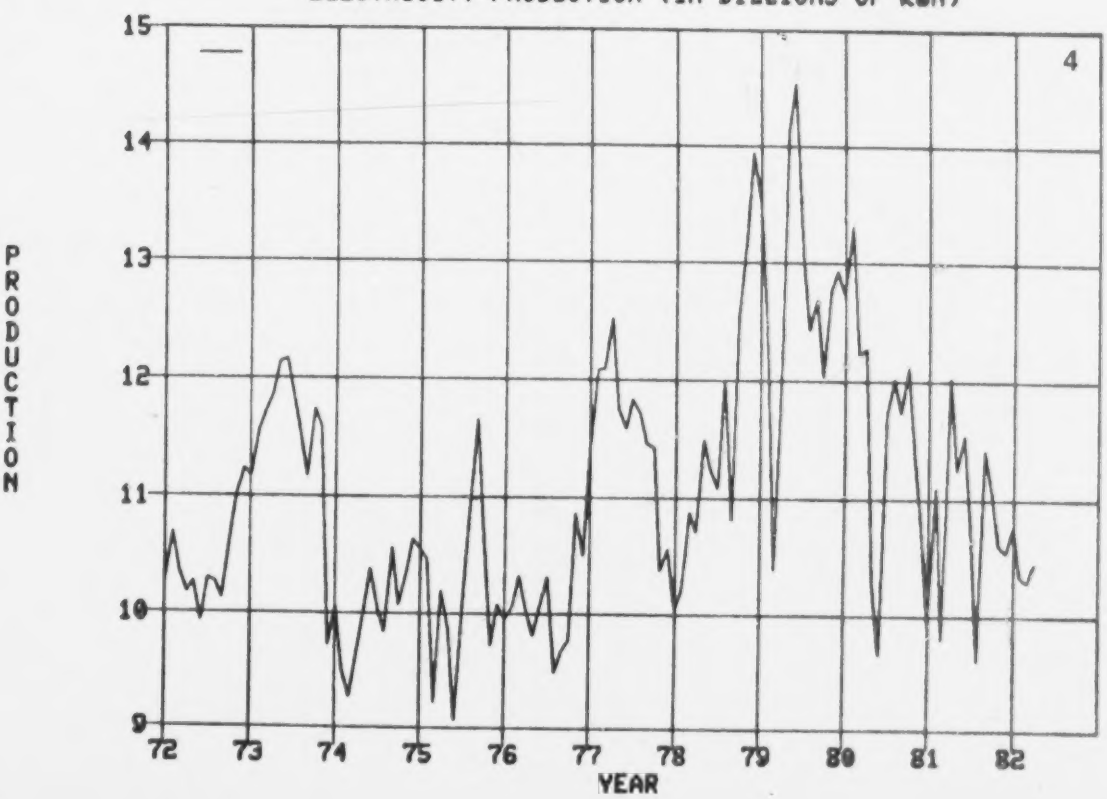
TAXABLE SALES, QUARTERLY (IN BILLIONS OF DOLLARS)



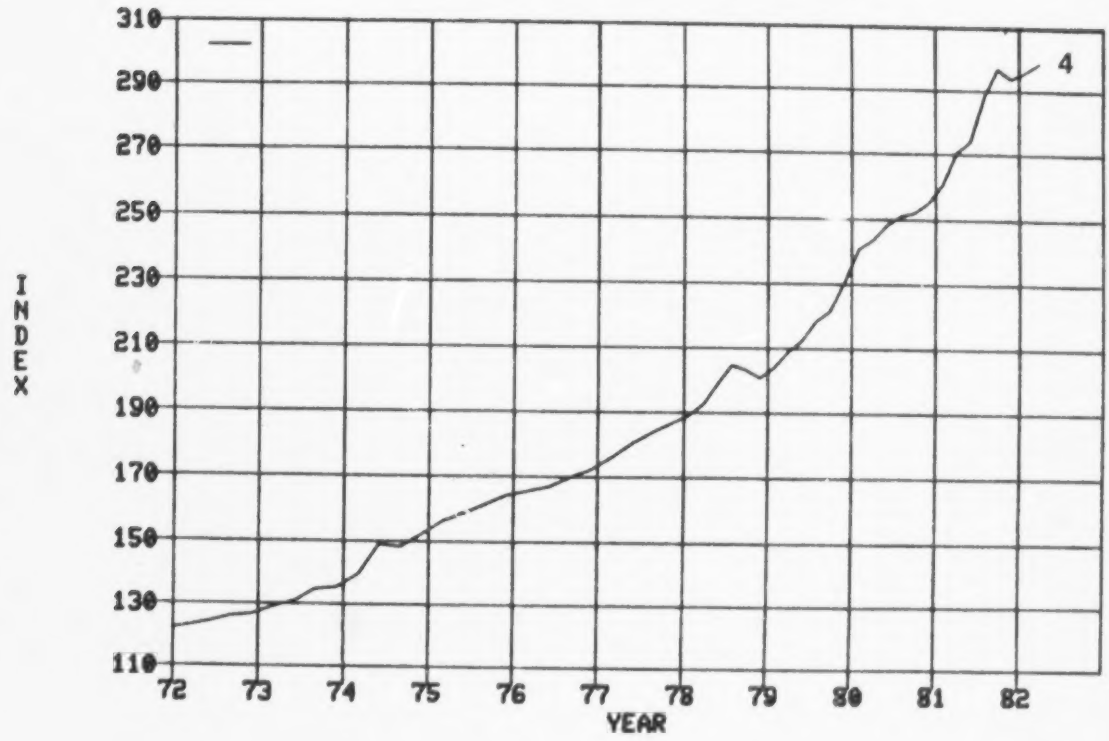
DOD PRIME CONTRACTS, QUARTERLY (IN BILLIONS OF DOLLARS)



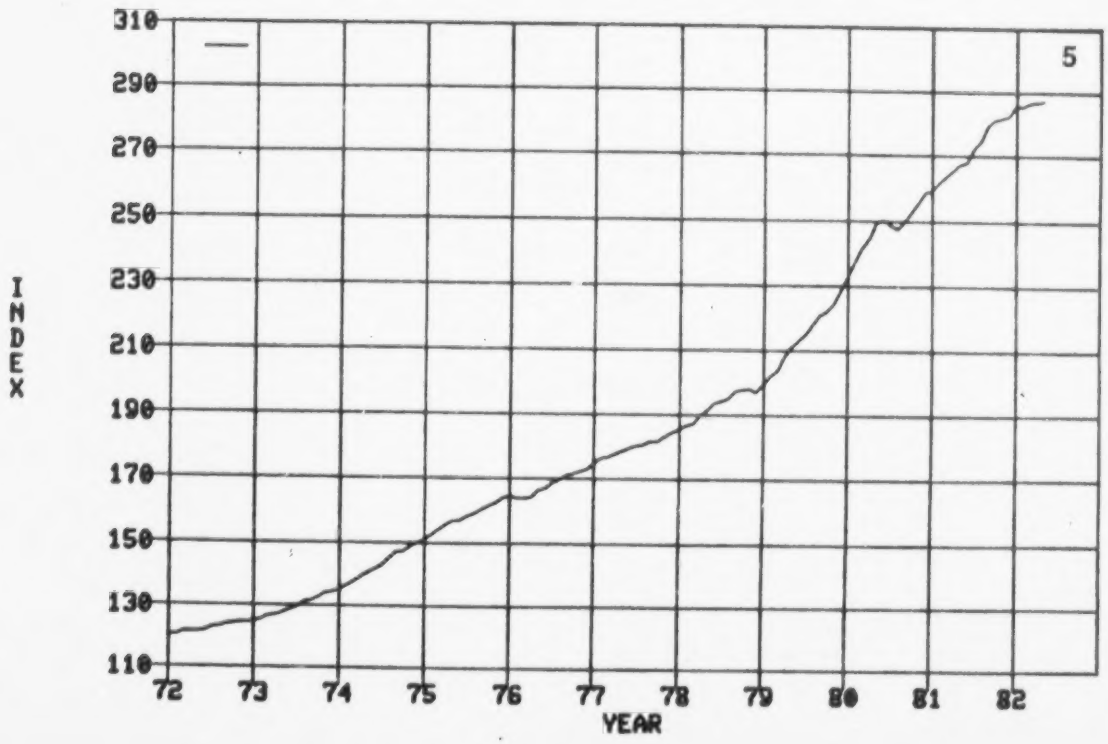
ELECTRICITY PRODUCTION (IN BILLIONS OF KWH)



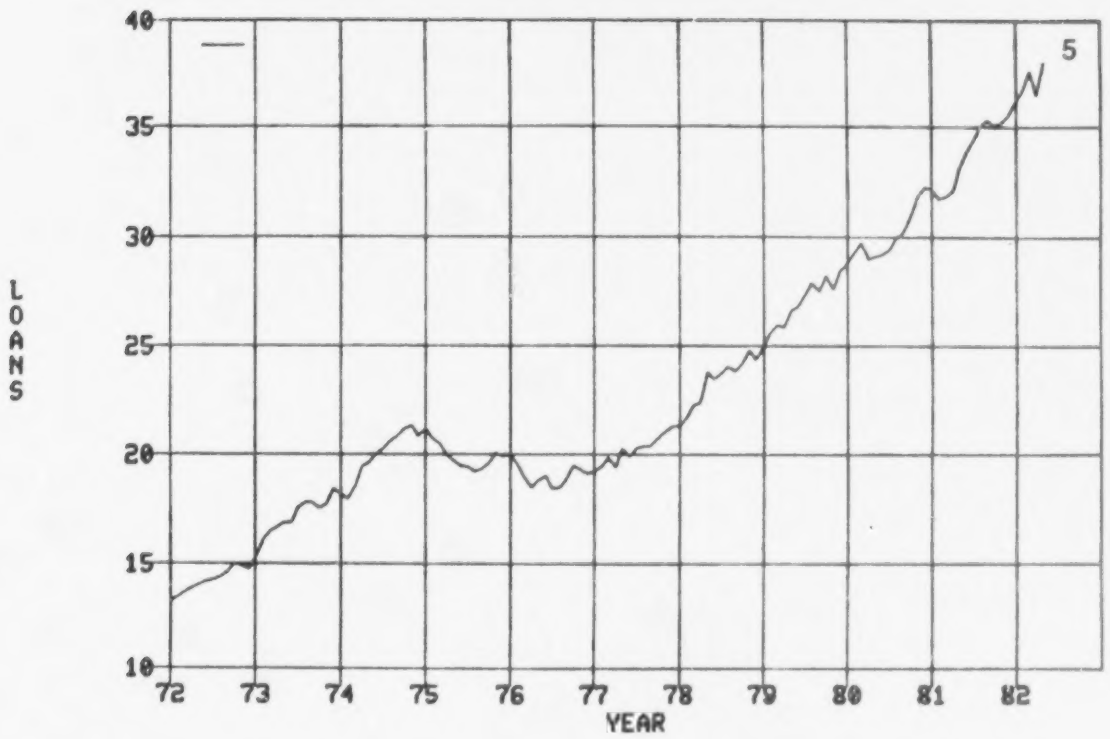
CONSUMER PRICE INDEX, SAN FRANCISCO
ALL URBAN CONSUMERS (1967=100)



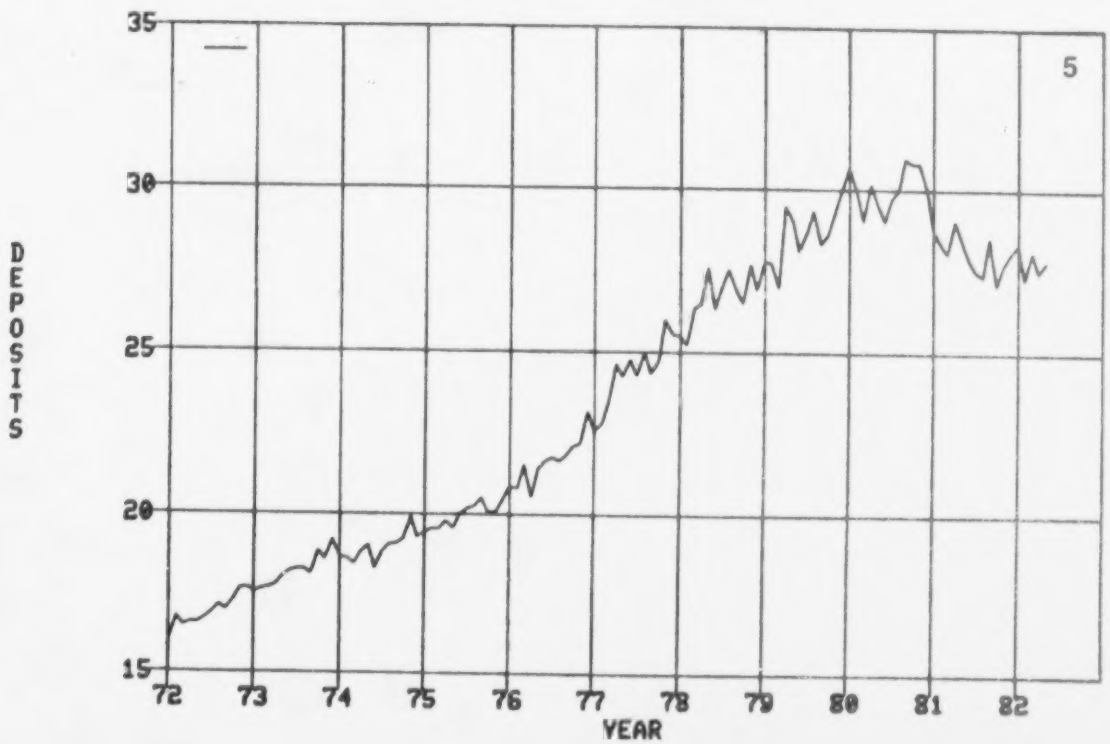
CONSUMER PRICE INDEX, LOS ANGELES
ALL URBAN CONSUMERS (1967=100)



CALIFORNIA COMMERCIAL AND INDUSTRIAL LOANS
(IN BILLIONS OF DOLLARS)



CALIFORNIA DEMAND DEPOSITS ADJUSTED
(IN BILLIONS OF DOLLARS)



BASIC DATA FOR CALIFORNIA ECONOMIC SERIES

(Seasonally Adjusted Except as Noted)

Year and Month	Leading Indicators: Index of Leading Indicators r/ (1972=100)	Average Weekly Hours, Manufacturing	Help Wanted Ads--Los Angeles Area (thousands)	Initial Claims for Unemployment Insurance Weekly Avg. (thousands)	Overtime Hours Manufacturing	Total Housing Units Authorized (thousands)	New Business Incorporations
1978							
July	120.5	40.1	13.9	57.5	3.4	215.5	4,095
August	120.6	40.0	14.1	54.7	3.4	168.6	4,080
September	122.3	40.0	14.2	49.3	3.4	192.5	4,255
October	124.0	40.3	15.1	45.0	3.5	204.2	3,907
November	122.3	40.2	14.5	51.2	3.5	210.1	4,492
December	122.8	40.1	14.6	50.2	3.5	216.4	4,229
1979							
January	124.7	40.2	14.3	49.3	3.6	218.1	4,852
February	125.1	40.4	14.4	50.6	3.6	195.3	4,288
March	125.0	40.0	14.4	50.2	3.4	214.9	4,414
April	121.7	38.7	14.8	54.4	2.7	236.2	4,689
May	125.9	39.9	14.3	47.6	3.3	226.4	4,760
June	125.7	39.9	14.5	48.7	3.3	211.9	4,310
July	128.1	40.2	15.2	47.1	3.5	221.3	4,508
August	127.3	40.0	14.6	48.5	3.4	223.9	4,902
September	128.0	39.9	15.8	47.7	3.3	201.9	4,422
October	127.7	40.0	15.8	51.2	3.3	215.5	4,790
November	127.1	39.8	15.0	50.9	3.5	184.5	4,890
December	127.0	40.0	15.5	53.3	3.2	153.7	4,547
1980							
January	126.4	39.6	15.2	56.4	3.1	173.8	4,778
February	128.8	39.6	15.7	54.9	3.1	184.6	5,206
March	125.7	39.7	15.3	58.5	3.1	130.1	4,534
April	122.8	39.6	13.5	59.0	3.0	112.4	4,592
May	121.4	39.5	12.2	61.0	3.0	92.4	4,326
June	122.2	39.4	12.9	61.9	2.7	124.4	3,882
July	125.6	39.4	12.7	60.0	2.8	161.1	4,439
August	127.3	39.4	12.8	58.2	2.9	145.5	4,596
September	129.2	39.6	12.7	57.9	3.0	184.1	4,710
October	129.7	39.3	12.7	54.9	3.0	161.5	5,312
November	131.7	39.6	13.9	54.4	3.1	149.4	4,631
December	130.5	39.6	12.7	59.1	3.2	138.7	5,181
1981							
January	131.0	39.8	12.7	52.7	3.1	129.9	4,826
February	130.9	39.8	13.1	53.4	2.8	138.9	5,130
March	130.7	39.5	13.3	58.0	3.0	128.3	4,976
April	131.2	39.6	12.7	53.8	2.8	156.8	5,145
May	131.8	39.9	12.9	54.9	3.1	131.3	4,801
June	132.0	39.8	13.4	53.6	3.0	118.9	5,194
July	129.8	39.6	12.7	58.8	3.0	105.8	5,011
August	128.6	39.7	12.6	59.6	3.0	82.5	4,450
September	126.2	39.5	11.8	63.6	3.0	85.6	5,139
October	122.6	39.5	10.3	65.2	2.7	69.1	4,753
November	122.4	39.4	10.8	67.2	2.7	61.1	4,619
December	121.8	39.6	9.9	66.8	2.6	64.2	4,845
1982							
January	122.4	39.8	10.1	59.7	2.6	69.4	4,018
February	121.2	39.5	9.6	65.5	2.6	65.1	4,529
March	118.8	39.0	9.6	72.6	2.4	70.7	4,997
April	119.1	39.2	8.6	75.8	2.6	69.0	4,550
May	121.0	39.4	8.8	67.7	2.6	75.1	4,754

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	Coincident Indicators: Nonagricultural Employment (thousands)	Coincident Indicators: Wages and Salaries in Mining, Manufacturing and Construction (mil dol.)	Coincident Indicators: Unemployment Rate	Coincident Indicators: Insured Unemployment Average Weeks Claimed (thousands)	Coincident Indicators: Personal Income (mil dol.) a/	Coincident Indicators: Taxable Sales (mil dol.) b/r/	Other Indicators: Manufacturing Employment (thousands)
1978							
July	9,190.3		7.8	309			1,885.7
August	9,230.8	36,650	7.0	363	202,806	28,930	1,901.4
September	9,303.6		6.7	311			1,913.0
October	9,330.8		6.4	306			1,920.5
November	9,385.8	38,189	6.4	297	208,438	29,835	1,941.0
December	9,417.5		6.4	293			1,951.3
1979							
January	9,483.0		6.5	298			1,967.7
February	9,509.8	40,180	6.4	296	217,444	31,107	1,974.7
March	9,554.3		6.4	299			1,986.9
April	9,549.3		6.1	301			1,986.6
May	9,601.8	41,533	6.1	299	222,892	32,069	1,996.3
June	9,639.5		6.0	276			2,004.2
July	9,685.3		6.0	278			2,011.2
August	9,725.6	42,772	6.4	278	232,363	33,468	2,015.0
September	9,758.1		6.5	278			2,010.7
October	9,780.5		6.2	292			2,019.0
November	9,822.1	44,256	6.0	294	241,225	34,832	2,028.1
December	9,836.5		6.1	300			2,029.2
1980							
January	9,830.5		5.9	310			2,026.1
February	9,888.3	45,332	6.1	323	248,371	35,459	2,033.6
March	9,878.5		6.1	337			2,030.3
April	9,859.3		6.9	349			2,016.9
May	9,839.8	45,693	7.2	363	252,420	34,634	2,005.6
June	9,811.1		7.3	396			1,993.2
July	9,766.8		6.9	401			1,987.3
August	9,802.0	46,470	7.4	395	262,283	35,736	1,987.4
September	9,841.1		7.1	412			1,995.3
October	9,895.3		7.1	420			2,007.8
November	9,897.1	49,946	7.4	384	275,130	36,855	2,004.4
December	9,925.3		6.4	394			2,008.5
1981							
January	9,993.0		7.3	340			2,016.3
February	9,985.8	48,927	7.3	367	277,802	37,732	2,020.2
March	9,978.1		7.2	368			2,020.3
April	10,013.3		7.1	360			2,028.3
May	10,033.3	51,873	6.7	343	286,714	38,914	2,031.6
June	10,055.8		6.9	353			2,036.4
July	10,097.1		7.3	350			2,050.9
August	10,087.3	52,197	7.0	366	296,692	39,509	2,038.3
September	10,086.3		7.4	381			2,030.5
October	10,087.4		8.1	389			2,039.5
November	10,024.9	54,547	8.1	417	306,544	38,924	2,014.1
December	10,011.2		8.6	46			2,010.10
1982							
January	10,068.0		8.7	405			2,012.6
February	10,054.8	53,084	8.9	437	307,538	38,528	2,007.4
March	10,016.4		9.4	467			1,992.1
April	10,000.4		9.3	510			1,975.9
May	9,982.9		9.5	506			1,967.2
June			9.6				

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	DOD Prime Contracts (mil dol.)[b/r]	Other Indicators: Consumer Price Index (1967=100)[c/] San Francisco Wage Earner and Clerical Worker	San Francisco All Urban	Los Angeles Wage Earner and Clerical Worker	Los Angeles All Urban	California Commercial and Industrial Loans (mil dol.)	California Demand Deposits Adjusted (mil dol.)	Electricity Production (mil KWH)
1978								
July		--	--	194.3	194.3	23,727	27,057	11,145
August	2,650	204.0	204.7	194.7	194.9	24,061	27,550	12,026
September		--	--	196.9	197.3	23,853	26,931	10,781
October		202.6	203.2	197.2	197.8	24,178	26,545	12,521
November	2,814	--	--	197.5	198.1	24,790	27,695	13,195
December		200.4	200.8	197.0	197.1	24,390	26,956	13,968
1979								
January		--	--	199.7	199.6	24,955	27,782	13,803
February	3,015	204.2	203.9	202.3	201.9	25,563	27,761	12,461
March		--	--	204.4	203.8	25,917	27,011	10,778
April		209.3	208.8	208.8	207.8	25,836	29,474	11,708
May	2,373	--	--	212.4	211.0	26,618	29,038	13,833
June		213.7	212.5	214.5	212.9	26,786	28,141	13,929
July		--	--	216.8	214.7	27,380	28,715	13,231
August	3,392	218.6	218.3	219.6	217.5	27,864	29,326	12,500
September		--	--	223.0	220.7	27,517	28,360	12,582
October		220.8	221.5	224.0	221.8	28,191	28,613	11,987
November	3,423	--	--	225.8	224.2	27,628	29,341	12,709
December		229.0	230.2	229.9	228.0	28,396	29,951	12,970
1980								
January		--	--	235.0	232.6	28,763	30,657	13,136
February	3,449	240.0	240.7	240.0	237.6	29,315	29,968	13,292
March		--	--	243.9	241.3	29,691	29,037	12,908
April		242.8	243.5	247.8	244.6	28,966	30,185	12,073
May	3,350	--	--	252.6	249.1	29,091	29,577	10,040
June		247.7	248.0	253.4	250.1	29,203	29,049	9,150
July		--	--	251.5	248.7	29,414	29,714	11,914
August	3,617	251.4	251.0	250.1	247.3	29,979	29,981	12,115
September		--	--	251.6	249.6	30,175	30,939	11,582
October		252.6	251.9	254.9	252.6	30,961	30,809	12,040
November	3,513	--	--	258.4	255.5	31,832	30,802	11,312
December		255.7	254.9	262.2	258.7	32,213	30,041	10,690
1981								
January		--	--	262.7	259.4	32,168	28,806	9,919
February	4,176	261.6	260.5	265.0	261.6	31,730	28,371	11,096
March		--	--	266.5	263.3	31,822	28,066	9,811
April		270.9	270.3	269.1	265.5	32,050	29,062	12,026
May	3,980	--	--	270.7	267.3	33,120	28,542	11,246
June		274.3	274.0	271.7	267.9	33,882	27,891	11,540
July		--	--	276.3	272.2	34,365	27,533	10,786
August	5,017	287.2	287.9	278.6	274.8	35,035	27,385	9,622
September		--	--	282.9	279.3	35,306	28,537	11,417
October		295.6	297.0	284.9	281.3	35,082	27,124	11,045
November		--	--	285.5	281.8	35,173	27,684	10,618
December	4,007	292.7	294.0	286.1	282.3	35,539	28,060	10,548
1982								
January		--	--	289.8	285.6	36,213	28,359	10,758
February	7,292	249.9	295.8	289.4	285.6	36,674	27,290	10,348
March		--	--	290.4	286.6	37,646	28,117	10,291
April		297.8	298.8	290.5	286.8	38,517	27,517	10,453
May		--	--	290.6	287.1	38,064	27,821	

a/Annual basis.
b/Quarterly data.
c/Not adjusted for seasonal variation.
r/Revised

2943A

CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national events of general interest have also been included.

1969

January 1	Social security contribution rate increased to combined 9.6 percent.
January 7	Prime rate raised from 6-3/4 percent to 7 percent.
January 24	FHA interest rate raised from 6-3/4 percent to 7-1/2 percent.
March 17	Prime rate raised from 7 percent to 7-1/2 percent.
April 3	Discount rate raised from 5-1/2 percent to 6 percent; reserve requirement raised.
June 9	Prime rate raised from 7-1/2 percent to 8-1/2 percent.
June 12	Required liquidity reserves of savings and loan associations lowered from 6-1/2 percent to 6 percent.
October 27-February 1970	General Electric strike.

1970

January 1	Personal income tax surcharge reduced to 5 percent. Withholding cut.
January 5	FHA interest rate raised from 7-1/2 percent to 8-1/2 percent.
January 21	Increased schedule of interest rates on time deposits and certificates of deposit in effect.
March 25	Prime rate reduced from 8-1/2 percent to 8 percent.
April 2-June 2	Teamster strike.
May 6	Stock margin requirement cut from 80 percent to 65 percent.
July 1	Personal income tax surcharge removed.
September 14-November 23	UAW strike against GM.
September 22	Prime rate reduced from 8 percent to 7-1/2 percent.

1970--Continued

November 10	Discount rate reduced from 6 percent to 5-3/4 percent.
November 12	Prime rate reduced from 7-1/2 percent to 7-1/4 percent.
November 23	Prime rate reduced from 7-1/4 percent to 7 percent.
December 1	Discount rate reduced from 5-3/4 percent to 5-1/2 percent. FHA interest rate reduced from 8-1/2 percent to 8 percent.
December 20	13-week extended duration unemployment benefits in effect.
December 22	Prime rate reduced from 7 percent to 6-3/4 percent.

1971

January 6	Prime rate reduced from 6-3/4 percent to 6-1/2 percent.
January 8	Discount rate reduced from 5-1/2 percent to 5-1/4 percent.
January 12	FHA interest rate reduced from 8 percent to 7-1/2 percent.
January 15	Prime rate reduced from 6-1/2 percent to 6-1/4 percent.
January 18	Prime rate reduced from 6-1/4 percent to 6 percent.
January 19	Discount rate reduced from 5-1/4 percent to 5 percent.
February 4	Rolls Royce bankruptcy announced.
February 9	Los Angeles earthquake.
February 12	Discount rate reduced from 5 percent to 4-3/4 percent.
February 16	Prime rate reduced from 6 percent to 5-3/4 percent.
February 23	Davis Bacon Act regulating construction wages on Federal projects suspended. Suspension revoked on March 29. Wage-price curbs ordered.

1971--Continued

March 16	Prime rate reduced from 5-3/4 percent to 5-1/2 percent.
March 17	Social security bill signed. Benefits raised 10 percent, retroactive to Jaunary 1, 1971. Contribution base raised to $9,000 effective January 1, 1972.
March 25	SST program terminated.
April 1	Interest rates on savings accounts in California banks generally reduced from 4-1/2 percent to 4 percent.
April 23	Prime rate raised from 5-1/4 percent to 5-1/2 percent.
May 1	Liquidity ratio for savings and loan associations raised from 6-1/2 percent to 7-1/2 percent.
May 17-18	Rail strike.
June 1-July 27	Communications workers strike against Western Union.
June 15-21	Prime rate increased from 5-1/2 percent to 5-3/4 percent. General rise to 6 percent on July 7.
June 29-July 16	Northern California construction strike.
July 1-October 6	West Coast dock strike.
July 14-August 2	Telephone strike.
July 15	Discount rate raised from 4-3/4 percent to 5 percent.
July 16-August 2	Rail strike.
July 31	Steel strike averted by accord on contract.
August 2	Lockheed loan guarantee approval.
August 3	Teamsters walkout in Northern California against building contractors.
August 15-November 13	President's economic policy message; 90-day wage-price freeze in effect.
October 1	East and Gulf Coast longshoremen's strike.
October 20	Prime rate reduced from 6 percent to 5-3/4 percent. Further reduction to 5-1/2 percent on November 4.

1971--Continued

November 11	Discount rate reduced from 5 percent to 4-3/4 percent.
November 14	Phase II of NEP in effect.
December 6	Stock margin requirements cut from 65 percent to 55 percent.
December 10	Revenue Act of 1971 signed into law.
December 13	Discount rate reduced from 4-3/4 percent to 4-1/2 percent. Prime rate lowered from 5-1/2 percent to 5-1/4 percent.*
	Intent to devalue U.S. dollar announced.

1972

January 17-February 20	West Coast dock strike continued.
February 1-March 15	Kaiser Steel Company strike.
July 1	20 percent increase in social security benefits signed into law. Effective September.
September 11	Opening of BART Fremont-Oakland line.
September 21	"Friends of Mammoth" decision.
November 24	Stock margin requirements raised to 65 percent.

1973

January 11	Phase III of NEP in effect.
January 15	Discount rate raised from 4-1/2 percent to 5 percent.
January 27	Viet Nam cease fire signed.
January 29	Opening of BART Richmond-Oakland line.
February 12	10 percent devaluation of U.S. dollar announced.
March 2	Major foreign currency exchanges closed.
March 29	Price controls of meat announced.

* Adoption of a floating prime rate in November 1971 has resulted in frequent minor adjustments in the rate. Information on the range of rates at any one time and the rate charged by the majority of commercial banks may be obtained from the Federal Reserve Bulletin.

1973

April 9-13	Consumer meat boycott.
April 23	Discount rate raised from 5-1/2 percent to 5-3/4 percent.
May 10	Discount rate raised from 5-3/4 percent to 6 percent.
June 11	Discount rate raised from 6 percent to 6-1/2 percent.
June 14	60-day price freeze announced.
July 2	Discount rate raised from 6-1/2 percent to 7 percent. Increased reserve requirement on net demand deposits.
July 6	Interest rates increased: FHA mortgage rate: 7 percent to 7-3/4 percent; bank savings rate: 4-1/2 percent to 5 percent; savings and loan rate: 5 percent to 5-1/4 percent.
July 18	Phase IV announced.
August 27	Prime rate at 9-3/4 percent in major institutions.
October 17	Arab nations announce reductions in oil shipment.
November 5-December 18	TWA strike.

1974

January 3	Stock margin requirements cut from 65 percent to 50 percent.
February 1-11	Independent truckers strike, midwest and east coast.
February 15	Prime rate reduced to 9 percent.
February 22	Prime rate reduced to 8-3/4 percent.
March 4	California minimum wage increased to $2.00 per hour from $1.65.
March 18	Arab oil embargo lifted.
March 27	Prime rate increased to 9 percent from 8-3/4 percent.
March 28	Prime rate further increased to 9-1/2 percent.
April 25	Federal Reserve raised discount rate to 8 percent from 7-1/2 percent.
April 29	Prime rate up to 10-3/4 percent.

1974--Continued

April 30	Phase IV controls lifted in approximately 165 sectors of the economy.
June 17-August 4	San Diego construction strike.
June 17-July 21	Northern California construction strike.
July 1-Mid-August	Southern California construction strike.
July 1	Transit strikes, San Francisco Bay Area.
August 2-October 21	Los Angeles area transit strike.
August 8	Resignation of President Nixon announced.
August 14	FHA mortgage rate raised to 9-1/2 percent.
	Prime rate reduced from 12 percent to 11-3/4 percent on limited basis. Prevailing rate on date of major changes:
	October 21....11 1/2 percent October 28....11 1/4 percent November 4....11 percent November 14...10 3/4 percent November 25...10 1/2 percent
October 8	Prime rate reduced from 12 percent to 11-3/4 percent by several more large banks.
November 12-December 9	Coal strike.
December 9	Discount rate reduced from 8 percent to 7-3/4 percent.

1975

January 6	Federal Reserve discount rate cut from 7-3/4 percent to 7-1/4 percent.
January 10	Oil Chemical Atomic Workers Union strike.
January 13	Prime rate reduced to 10 percent. Further major cuts as follows:
	Jannuary 21.....9 3/4 percent January 31.....9 percent February 6.....8 3/4 percent February 19.....8 1/2 percent March 3.....8 1/4 percent March 8.....8 percent
January 21	FHA mortgage rate reduced from 9 percent to 8-1/2 percent.
February 5	Federal Reserve discount rate cut from 7-1/4 percent to 6-3/4 percent.

1975--Continued

March 10	Federal Reserve discount rate cut from 6-3/4 percent to 6-1/4 percent.
March 24	Prime rate reduced to 7-1/2 percent by most major banks.
March 25	King Faisal assassinated.
March 29	Tax reduction act signed into law
May 19	Prime rate reduced to 7-1/4 percent by several major banks.
June 10	Prime rate reduced to 7 percent by most banks.
July 18	Prime rate increased to 7-1/4 percent. Further gains as follows: July 25.....7-1/2 percent August 11.....7-3/4 percent September 15....8 percent
September 1	National Airlines strike.
October 16	Reserve requirement on time deposits reduced from 3 percent to 1 percent.
October 24	Prime rate reduced to 7-3/4 percent. Further reductions as follows: October 31.....7-1/2 percent November 21.....7-1/4 percent
December 5-19	United Airlines strike.

1976

January 12	Prime rate lowered to 7 percent.
January 19	Federal Reserve discount rate lowered from 6 percent to 5-1/2 percent.
January 21	Prime rate reduced to 6-3/4 percent.
April 1-3	Teamsters strike.
April 9-June 4	Prime rate moving upward, 6-3/4 percent to 7-1/4 percent at most major banks.
April 21	Rubber workers strike.
July 20-August 2	Cannery workers strike.
August 2	Prime rate reduced to 7 percent. Further reductions as follows: October 4.....6-3/4 percent October 29.....6-1/2 percent December 10....6-1/4 percent

1976--Continued

September 15-October 13	Auto workers strike.
October 18	California minimum wage raised to $2.50 per hour.
December 22	Prime rate reduced to 6 percent by Chase Manhattan Bank. Most banks maintain a prime rate of 6-1/4 percent.

1977

May 16	Prime rate raised to 6-1/2 percent.
May 31	Prime rate raised to 6-3/4 percent.
August 22	Prime rate raised to 7 percent.
August 30	Federal Reserve discount rate raised from 5-1/4 percent to 5-3/4 percent, the first increase since April 1974.
September 16	Prime rate raised to 7-1/4 percent.
October 1-November 24	Longshoremen's strike against East and Gulf Coast ports.
October 7	Prime rate raised to 7-1/2 percent.
October 10-January 4	IAM-Lockheed strike.
October 24	Prime rate raised from 7-1/2 percent to 7-3/4 percent.
October 26	Discount rate raised from 5-3/4 percent to 6 percent.
December 6-March 24	United Mine Workers strike.

1978

January 1	U.S. minimum wage increased to $2.65 per hour.
January 9	Discount rate raised from 6 percent to 6-1/2 percent.
January 10	Prime rate raised to 8 percent.
February 28	FHA mortgage rate raised from 8-1/2 percent to 8-3/4 percent.
April 1	California minimum wage increased from $2.50 to $2.65 per hour.
April 1-May 28	United Airlines strike.
May 4	Prime rate raised from 8 percent to 8-1/4 percent.

1978--Continued

May 8	California savings and loan assocations raised mortgage rates from 9-3/4 percent to 10 percent.
May 12	Discount rate raised to 7 percent.
May 23	Federal funds rate increased to 7-1/2 percent.
	FHA-VA mortgage rate raised from 8-3/4 percent to 9 percent.
May 26	Prime rate raised from 8-1/4 percent to 8-1/2 percent.
June 6	Proposition 13 approved by California voters.
June 16	Prime rate raised to 8-3/4 percent.
June 20	OPEC announced a freeze on crude oil prices until December 16.
June 22	Federal funds rate raised from 7-1/2 percent to 7-3/4 percent.
June 29	FHA-VA mortgage rate raised to 9-1/2 percent.
June 30	Prime rate raised to 9 percent.
July 10	Discount rate raised to 7-1/4 percent.
July 18	Teamsters union strike affecting supermarkets throughout Northern California.
August 20	Retail clerks union strike in Southern California.
August 21	Discount rate raised to 7-3/4 percent.
August 29	Federal funds rate raised from 8-1/8 percent to 8-1/4 percent.
August 31	Prime rate raised by some eastern banks from 9 percent to 9-1/4 percent.
September 15	Prime rate raised to 9-1/2 percent.
September 22	Discount rate raised from 7-3/4 percent to 9-3/4 percent.
September 28	Prime rate raised from 9-1/2 percent to 9-3/4 percent.

1978--Continued

October 12	Prime rate raised from 9-3/4 percent to 10 percent.
October 15	Tax cut and energy bills passed by Congress.
October 16	Discount rate raised from 8 percent to 8-1/2 percent.
October 18	Federal funds rate raised from 8-3/4 percent to 8-7/8 percent.
October 24	Prime rate raised from 10 percent to 10-1/4 percent.
	California mortgage rates raised from 10 percent to 10-1/4 percent at several savings and loan institutions.
October 24	Phase II announced: voluntary guidelines on wages and prices.
November 1	Discount rate raised from 8-1/2 percent to 9-1/2 percent.
	Prime rate raised to 10-1/2 percent.
November 3	Prime rate raised from 10-1/2 percent to 10-3/4 percent.
November 13	Prime rate raised from 10-3/4 percent to 11 percent.
November 24	Prime rate raised to 11-1/2 percent.
November 27	Federal funds rate raised from 9-3/4 percent to 9-7/8 percent.
December 4	Rollover for 6-month certificates of deposit (CDs) began this week.
December 19	Federal funds rate raised to 10 percent.
December 20	Prime rate raised to 11-3/4 percent.

1979

January 1	U.S. minimum wage increased to $2.90 per hour.
January 13	Prime rate reduced to 11-1/2 percent.
March 15	Terms for MMCs changed. 1/4 point differential over 9 percent eliminated.
March 27	OPEC price increases: 9 percent. Selected surcharges imposed.

1979--Continued

March 31	United Airlines-machinist strike.
April 1-10	Teamsters strike.
May 7	Prime rate moved to 11-3/4 percent from 11-1/2 percent.
May 19	Federal funds rate set at 7-1/4 percent.
May 26	United Airlines strike ended.
May 30	Interest rate on conventional mortgages raised to 11-3/4 percent.
June 12	Prime rate reduced to 11-1/2 percent.
July 1	Interest rates on passbook accounts up to 5.5 percent at Savings and Loans and 5.25 percent for banks.
July 20	Discount rate raised from 9-1/2 percent to 10 percent.
August 16	Discount rate raised to 10-1/2 percent.
August 24	Federal funds rate raised from 11 percent to 11-1/4 percent.
August 26-September 10	Los Angeles Rapid Transit District strike.
August 28	Prime rate raised from 12 percent to 12-1/4 percent.
August 31-November 21	BART strike.
September 4	Federal funds rate raised from 11-1/percent

1980

February 25	Prime rate raised to 16-1/2 percent.
February 27	Ceilings on interest rates for government backed mortgages raised to 13 percent.
February 29	Prime rate raised to 16-3/4 percent.
March 4	Prime rate raised to 17-1/4 percent.
March 7	Prime rate raised to 17-3/4 percent.
March 13	Prime rate raised to 18-1/4 percent.

1980--Continued

March 14	Announcement of tighter fiscal policies.
March 18	Prime rate raised to 19 percent.
April 2	Prime rate raised to 20 percent.
April 3	FHA mortgages raised to 14 percent.
April 20	Prime rate reduced to 19-1/2 percent.
April 28	FHA mortgages reduced to 13 percent.
	Prime rate reduced to 18-1/2 percent.
May 5	Prime rate reduced to 18 percent.
May 7	Prime rate reduced to 17 percent.
May 12	Prime rate reduced to 16-1/2 percent.
May 19	Prime rate reduced to 16 percent.
May 28	Discount rate lowered to 12 percent from 13 percent.
June 4	Prime rate reduced to 13 percent.
June 12	Discount rate lowered to 11 percent. Prime rate reduced to 12-1/2 percent.
June 20	Prime rate reduced to 12 percent.
June 24	Prime rate reduced to 11-1/2 percent. Some conventional mortgage rates fell to 12 percent.
June 25	Carpenters strike in Northern California ended.
July 3	ICC begins trucking industry deregulation.
July 21	Motion picture and television industry strike.
July 22	Prime rate reduced to 11 percent.
July 25	Prime rate reduced to 10-3/4 percent.
July 28	Discount rate reduced to 10 percent.
August 5	Prime rate raised to 11 percent.

1980--Continued

August 27	Prime rate raised to 11-1/2 percent.
September 5	FHA mortgage interest rate raised from 11-1/2 to 12 percent.
September 12	California morgage rate raised from 13-1/2 percent to 13-3/4 percent.
September 25	Pacific Southwest Airlines (PSA) pilots strike begins.
September 26	Discount rate raised from 10 to 11 percent. Prime rate raised from 12-1/2 percent to 12-3/4 percent.
October 2	Prime raised from 13 to 13-1/2 percent.
October 3	Prime raised to 14 percent.
October 15	AFTA workers return to work.
October 23	Screen Actors Guild strike ends.
October 30	Prime raised from 14 to 14-1/2 percent.
November 7	Prime raised from 14-1/2 to 15-1/2 percent.
November 14	PSA pilots strike ends.
November 17	Prime raised to 16 1/4 percent. Discount rate raised from 11 to 12 percent.
November 21	Prime raised to 17 percent.
November 28	Prime raised to 17-3/4 percent.
December 3	Prime raised from 17-3/4 to 18-1/2 percent.
December 5	Discount rate raised from 12 to 13 percent. Prime raised to 19 percent.
December 11	Prime raised to 20 percent.
December 17	Prime raised from 20 to 21 percent.
December 23	Prime lowered from 21 to 20-1/2 percent.

1981

January 1	Minimum wage raised from $3.10 to $3.35.
January 6	Prime lowered to 20 percent.
January 20	American hostages released from Iran.

1981--Continued

January 20	Ronald Reagan inaugurated as 40th President of the U.S.
January 28	Deregulation of oil and gas industry announced, effective immediately.
January 29	Prime rate lowered to 19-1/2 percent from 20 percent.
February 16	General Motors and Ford rebate plans announced.
February 23	Prime rate lowered to 18 percent.
March 2	Prime rate lowered to 18-1/2 percent.
March 10	Prime rate lowered to 18 percent.
March 16	Prime rate lowered to 17-1/2 percent.
March 18	Prime rate lowered to 17 percent.
March 26	United mine workers strike.
April 13	Prime rate raised to 17-1/2 percent.
April 29	Prime rate raised to 18 percent.
May 4	Prime rate raised to 19 percent.
May 5	Discount rate raised from 13 percent to 14 percent.
May 8	FHA-VA rate up to 15-1/2 percent from 14-1/2 percent.
May 11	Prime rate raised to 19-1/2 percent.
May 22	Prime rate raised to 20 percent.
May 27	OPEC fails to agree on a uniform price schedule. OPEC officials freeze prices at current level.
June 5	Dollar reaches highest level in international trading since December 1971.
June 8	Coal miners end 72 day strike and ratify a 40-month contract.
July 8	Prime rate raised to 20-1/2 percent.
August 3	Air traffic controller's strike.

1981--(Continued)

August 14	President Reagan signs both the tax- and budget-cut bills into law.
August 18	FHA-VA rate up to 16-1/2 percent from 15-1/2 percent.
September 1	Prime rate lowered to 20 percent.
September 21	Prime rate lowered to 19-1/2 percent.
September 22	Fed surcharge cut to 3 percent from 4 percent.
October 6	Prime rate lowered to 19 percent.
	Egyptian President Sadat assassinated.
October 13	Prime rate lowered to 18 percent.
October 30	OPEC price set at $34.00/barrel--the Saudi benchmark.
November 1	Passbook interest rate raised 1/2 percent to 5-3/4 percent.
November 2	Fed discount rate cut from 14 percent to 13 percent.
	Prime rate lowered to 17-1/2 percent.
November 10	Prime rate lowered to 17 percent.
November 13	Prime rate lowered to 16-1/2 percent.
	FHA mortgage rate lowered to 15-1/2 percent.
November 16	Prime rate lowered to 16 percent.
November 17	Fed eliminates 2 percent surcharge. Discount rate unaffected.
December 1	Prime rate lowered to 15-1/2 percent.
December 4	Fed discount rate lowered from 13 percent to 12 percent.
December 12	Martial law imposed in Poland.

1982

January 22	Federal funds rate raised to 13-1/2 percent.
January 25	FHA mortgage rate increased from 15-1/2 percent to 16-1/2 percent.

1982--Continued

January 27	Federal funds rate raised to 13-3/4 percent.
February 2	Prime rate raised to 16-1/2 percent by Citibank and Crocker.
February 18	Prime rate increased to 17 percent.
February 24	Prime rate cut back to 16-1/2 percent.
March 1	Ford-UAW Pact ratified. Workers give up two weeks of paid time off and annual 3 percent raises.
March 8	Prime rate lowered to 16 percent.
March 16	Prime rate back up to 16-1/2 percent.
April 1	OPEC cuts production to 17.5 million barrels from current 18.2. Saudi bench mark set at $34/barrels.
April 5	Unemployment rate nationally hits 9.0 percent tying the post-WW II high in May 1975.
April 12	General Motor and United Auto Workers labor agreement approved.
April 26	The U.S. consumer price index declined 0.3 percent--the first decline in 17 years and the largest drop in nearly a quarter of a century.
May 7	U.S. unemployment rate reaches 9.4 percent for a post-WW II record.
May 13	Braniff Air Lines ceases operation.
June 25	Secretary of State Alexander Haig resigns.
June 28	U.S. Supreme Court rules that federally chartered savings and loan associations cannot be prohibited from enforcing due-on-sale clauses in their mortgage contracts.

SOURCES OF STATISTICAL SERIES

Employment Development Department *Employment Data and Research*	Civilian employment Unemployment Unemployment rate Nonagricultural employment Manufacturing employment Hours and earnings Nonagricultural placements Initial claims for unemployment insurance Insured unemployment Index for production worker man-hours
Department of Industrial Relations *Division of Labor Statistics and Research*	California consumer price index
Department of Finance	Personal income Wages and salaries Index of leading indicators
Department of Motor Vehicles	New auto registrations
State Board of Equalization	Taxable sales
Security Pacific National Bank	Housing units authorized Valuation of nonresidential construction
U.S. Department of Commerce	Retail sales
U.S. Bureau of Labor Statistics	Consumer price indices
U.S. Department of Defense	Prime defense contracts
Federal Power Commission	Electricity production
California Redwood Association	Lumber production
Conservation Committee of California Oil Producers	Petroleum production
American Iron and Steel Institute	Steel production
U.S. Bureau of Mines	Cement production
Dun and Bradstreet	Business failures and liabilities
California Secretary of State	New business incorporations
Federal Reserve Bank of San Francisco	Demand deposits Commercial and industrial loans

REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854 -

Initial trough	Peak	Terminal trough	Expansion (months)	Contraction (months)	Total (months)
Dec. 1854	June 1857	Dec. 1858	30	18	48
Dec. 1858	Oct. 1860	June 1861	22	8	30
June 1861	April 1865	Dec. 1867	46	32	78
Dec. 1867	June 1869	Dec. 1870	18	18	36
Dec. 1870	Oct. 1873	March 1879	34	65	99
March 1879	March 1882	May 1885	36	38	74
May 1885	March 1887	April 1888	22	13	35
April 1888	July 1890	May 1891	27	10	37
May 1891	Jan. 1893	June 1894	20	17	37
June 1894	Dec. 1895	June 1897	18	18	36
June 1897	June 1899	Dec. 1900	24	18	42
Dec. 1900	Sept. 1902	Aug. 1904	21	23	44
Aug. 1904	May 1907	June 1908	33	13	46
June 1908	Jan. 1910	Jan. 1912	19	24	43
Jan. 1912	Jan. 1913	Dec. 1914	12	23	35
Dec. 1914	Aug. 1918	March 1919	44	7	51
March 1919	Jan. 1920	July 1921	10	18	28
July 1921	May 1923	July 1924	22	14	36
July 1924	Oct. 1926	Nov. 1927	27	13	40
Nov. 1927	Aug. 1929	March 1933	21	43	64
March 1933	May 1937	June 1938	50	13	63
June 1938	Feb. 1945	Oct. 1945	80	8	88
Oct. 1945	Nov. 1948	Oct. 1949	37	11	48
Oct. 1949	July 1953	May 1954	45	10	55
May 1954	Aug. 1957	April 1958	39	8	47
April 1958	April 1960	Feb. 1961	24	10	34
Feb. 1961	Dec. 1969	Nov. 1970	106	11	117
Nov. 1970	Nov. 1973	March 1975	36	16	52
March 1975	Jan. 1980		58		

CALIFORNIA ECONOMIC INDICATORS

September 1982

DEPARTMENT OF FINANCE

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INTRODUCTION

California Economic Indicators is a bimonthly summary of economic trends and data relating to the State of California. Generally patterned after the U.S. Census Bureau publication Business Conditions Digest, the report contains the following regular features:

- review of economic developments
- current California economic data table
- economic indicator charts
- basic data for California economic series
- chronology of major economic events.

Developments in California over the most recent months are reviewed in a brief text, and then summarized in a current data table which shows changes over the previous year. Charts containing monthly and quarterly series from 1971 are included to facilitate the review of current developments, and to appraise the significance of the developments on the State economy. Much of the data in the report has been seasonally adjusted by the source agency or the Department of Finance.

Sources are cited on the inside back cover to assist readers in obtaining any additional information on the statistical series published. Finally, reference dates for U.S. business cycles, as determined by the National Bureau of Economic Research, are shown on the back of the publication.

Individuals or businesses seeking assistance in their economic development or job creation efforts are advised to contact the Department of Economic and Business Development. The Department can also provide additional general information on economic opportunities in California. Correspondence should be addressed to: State of California, Department of Economic and Business Development, 1120 N Street, Sacramento, CA 95814.

The Department of Finance welcomes suggestions on additions or changes which would make the Indicators a more useful publication. Correspondence should be addressed to: State of California, Department of Finance, Financial Research Unit, 1025 P Street, Sacramento, CA 95814.

Subscriptions are $5.00 per year, and begin with the January issue. The subscription price will be prorated throughout the year based upon the beginning subscription date, as shown below:

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January	$5.00
March	4.15
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July	2.50
September	1.65
November	0.85

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0804A

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The California economy has remained relatively unchanged during recent months. Improvements in some economic indicators have been offset by further declines in others.

The unemployment rate surged in July to 10.5 percent of the labor force, after staying at the 9.5 percent level during the previous two months. In August the rate fell only slightly to 10.3 percent. The number of job losers continued to grow, while new entrants and reentrants into the labor force accounted for very little of the rate increase.

Regional unemployment trends continue to vary widely, as individual counties experience rates below 7 percent and up to 25 or 30 percent. In general, the major urban areas have the lowest rates, while the rural and resource counties have the highest, as shown below:

Selected County Unemployment Rates
July 1982

	Percent*
Humboldt	18.1
Shasta	18.1
San Joaquin	15.7
Fresno	12.7
Kern	12.4
San Diego	11.0
STATE OF CALIFORNIA	10.7
Los Angeles	10.4
San Francisco	9.5
Contra Costa	8.4
Santa Clara	8.1
Orange	7.8
San Mateo	7.0

*Data not seasonally adjusted

The difference in county unemployment is primarily a result of the regional economic base. The urban areas are largely supported by trade, services and aerospace--activities which are less sharply impacted by downturns. The rural areas rely heavily on lumbering and agriculture. Lumber has been hard hit by reduced housing construction, and agriculture has been impacted by lower prices for many important crops and rising production costs.

Nonagricultural wage and salary employment has fallen slowly, but fairly steadily, since July 1981.* Although all sectors are affected, the deterioration in the number of jobs is most pronounced in the construction, manufacturing, and transportation industries. Although total jobs did not change between June and July, the flatness does not necessarily suggest improving employment conditions. On three occasions during the past year the total was unchanged between months, only to decline further in the subsequent month. Much of the support during July was provided by a strong 1.2 percent employment gain in services; six of the seven remaining sectors declined.

Housing construction rose sharply during June and July. It is not known to what extent the gains resulted from accelerated permit filings to avoid new building standards, originally scheduled to go into effect mid-July but delayed by Governor Brown. Nevertheless, the July rate of 108,000 units was a significant improvement over the 65-75,000 unit pace during much of 1982, and represented the first year-over-year improvement since May 1981.

Nonresidential activity is showing signs of slowing. The $660 million in valuation authorized during July can be compared to the $757 million rate in the first six months of the year. As noted in the July Indicators, the steady gains in commercial and industrial building in 1981 and early 1982 have eliminated most of the shortages. Subsequent construction should, therefore, more closely reflect current economic conditions.

Consumer prices within the three California SMSAs continued to show mixed trends. The Los Angeles CPI declined by 0.3 percent between June and July, almost entirely due to a 2.3 percent drop in homeownership. In contrast, the San Diego index rose 1.7 percent over two months as a result of a 5.1 percent increase in transportation costs and a 4.0 percent gain in medical costs. The San Francisco CPI was up 1.9 percent from April to June, with nearly all components contributing to the increase. Despite the sharp differences between the SMSAs, price inflation for California as a whole seems to be generally matching the gradually slowing trend nationwide. During July, the year-over-year increase in the U.S. CPI was 6.5 percent, and the annualized change from June was 6.8 percent.

Personal income for the second quarter of 1982 posted a year-over-year gain of 9.5 percent. The revised figure for the first quarter was 11.6 percent. While total income has grown modestly in 1982, not all sources have fared equally. Proprietors' income, for example, is below 1981 levels, while interest income is up 15 percent due primarily to high interest rates.

The California Index of Leading Indicators was unchanged in July, and has been virtually flat the past five months, excluding a temporary upturn in May. The indicator seems to be suggesting that the recession has hit bottom, although there are no consistent signs that recovery has begun.

*All nonagricultural employment data represent the Interim Benchmark Series prepared by the Employment Development Department.

CURRENT CALIFORNIA ECONOMIC DATA

	1982				1981		Percent Change July 1981-July 1982
	July	June	May	April	July	June	
Employment[a]/							
Civilian employment (000)	10,916	11,033	10,993	10,943	10,896	10,935	0.2
Unemployment (000)	1,287	1,155	1,157	1,122	852	805	51.0
Unemployment rate	10.5	9.5	9.5	9.3	7.3	6.9	--
Nonagricultural wage and salary employment[b]/ (000)	9,901.8	9,901.4	9,927.8	9,953.2	10,097.1	10,055.9	-1.9
Mining	49.3	49.6	50.3	51.0	49.2	48.6	0.2
Construction	362.6	370.8	374.7	379.7	436.2	438.6	-16.9
Manufacturing	1,924.8	1,938.9	1,952.2	1,961.6	2,050.9	2,036.4	-6.1
Aerospace[c]/	632.2	629.1	627.6	627.1	638.6	637.2	-1.0
Transportation, communications, and public utilities	546.2	547.3	551.4	554.9	555.8	553.6	-1.7
Trade	2,293.6	2,291.5	2,296.7	2,301.6	2,342.8	2,319.7	-2.1
Finance, insurance, and real estate	651.5	654.1	653.8	655.9	647.4	646.3	0.6
Services	2,341.1	2,313.6	2,310.4	2,306.9	2,259.1	2,251.3	3.6
Government	1,732.7	1,735.6	1,738.3	1,741.4	1,755.7	1,761.4	-1.3
Federal	320.3	319.6	323.4	323.2	319.5	319.9	0.2
State and local	1,412.4	1,416.0	1,414.9	1,418.2	1,436.2	1,441.5	-1.6
Hours and Earnings, Manufacturing							
Average weekly hours	39.3	39.3	39.3	38.8	39.1	39.7	0.5
Average weekly earnings	$362.16	$362.60	$361.56	$353.47	$337.82	$336.66	7.2
Average hourly earnings	$9.22	$9.23	$9.20	$9.11	$8.64	$8.48	6.7
Index of Leading Indicators	119.3	119.3	121.1	119.2	130.2	132.4	-8.4
Trade							
Retail sales (millions)	n.a.	$10,433	$10,694	$10,533	$10,913	$10,745	n.a.
New auto registrations (number)	n.a.	80,115	68,531	68,457	77,740	82,164	n.a.
Business							
Business failures (number)	n.a.	n.a.	n.a.	n.a.	232	220	n.a.
Business liabilities (000)	n.a.	n.a.	n.a.	n.a.	$59,687	$104,781	n.a.
New incorporations (number)	4,728	4,831	4,516	4,350	5,763	5,587	-18.0
Consumer Price Index, all items[d]/							
California average (1967=100)	--	298.0	--	293.2	--	272.6	--
San Francisco (1967=100)	--	304.6	--	298.3	--	274.0	--
Los Angeles (1967=100)	289.3,	290.1	287.1	286.8	272.2	267.9	6.3
San Diego (1967=100)	334.8	--	329.2	--	305.4	--	9.6
Production							
Petroleum (000 barrels daily)	n.a.	1,099.0[p]	1,094.4	1,092.3	1,074.5	1,070.0	n.a.
Portland cement (000 short tons)	n.a.	685.9	590.5	506.2	772.1	785.8	n.a.
Raw steel (000 net tons)	106.2	121.6	118.5	146.4	224.3	242.6	-52.6
Selected redwood mill shipments (mil. FBM)	75.0	61.2	81.1	69.3	75.5	73.9	-0.7
Construction							
Private residential housing units authorized (number)	9,711	8,620	6,889	5,778	9,365	10,755	3.7
Nonresidential building authorized, valuation (Millions)	$736.1	$952.9	$754.4	$707.8	$887.6	$706.9	-17.1

a/Adjusted for seasonal variation.
b/Interim series of wage and salary workers. This unofficial series is adjusted for the latest tabulations of unemployment insurance coverage and approximates what the official data will be when estimates are updated at year end.
c/The Interim Series does not give a breakdown for aerospace employment. These values are from the EDD official employment series, and are not seasonally adjusted.
d/All urban series.

p Preliminary estimate.
n.a. Not available

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Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are production worker man-hours, insured unemployment, manufacturing employment, and taxable sales. These series are discussed in the technical note below.

Data for most series are plotted monthly. Quarterly series are identified following the series title on the chart.

The Arabic numeral in the right hand corner of each graph indicates the latest month for which the data are plotted (e.g.: 7 = July).

Roman numerals indicate the latest quarter for which data are plotted (III = third quarter).

TECHNICAL NOTE

Whenever appropriate, data used in the charts have been seasonally adjusted. The series on average weekly hours of production workers in manufacturing and production worker man-hours are adjusted by the Bureau of Labor Statistics method. Other series have been adjusted by the Bureau of the Census (Shiskin) method. Persons interested in a detailed description of these methods are referred to the U.S. Department of Labor, Bureau of Labor Statistics, the BLS Seasonal Factor Method (1964); and the U.S. Department of Commerce, Bureau of the Census, Technical Paper No. 15, The X-11 Variant of the Census Method II, Seasonal Adjustment Program (November 1965.)

Under the Census Bureau seasonal method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

Production Worker Man-Hours

This series is a substitute for the man-hours in nonagricultural establishments series used in the Census Bureau's publication, Business Cycle Developments. It is the cross product of average weekly hours of production workers in manufacturing and manufacturing employment. Workweek data are a leading indicator. Manufacturing employment appears to be a coincident indicator, although at times it seems to lead economic downturns. Because of this, the man-hours series has been classified in the present publication as a leading indicator.

Insured Unemployment

The series on total insured unemployment is being used rather than the insured unemployment rate included in the Census Bureau's indicator list. The insured rate is available only with a lag of nine months, which precludes its usefulness as a current indicator.

Manufacturing Employment

This series is also an addition to the Census Bureau indicator list. It was used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

Taxable Sales

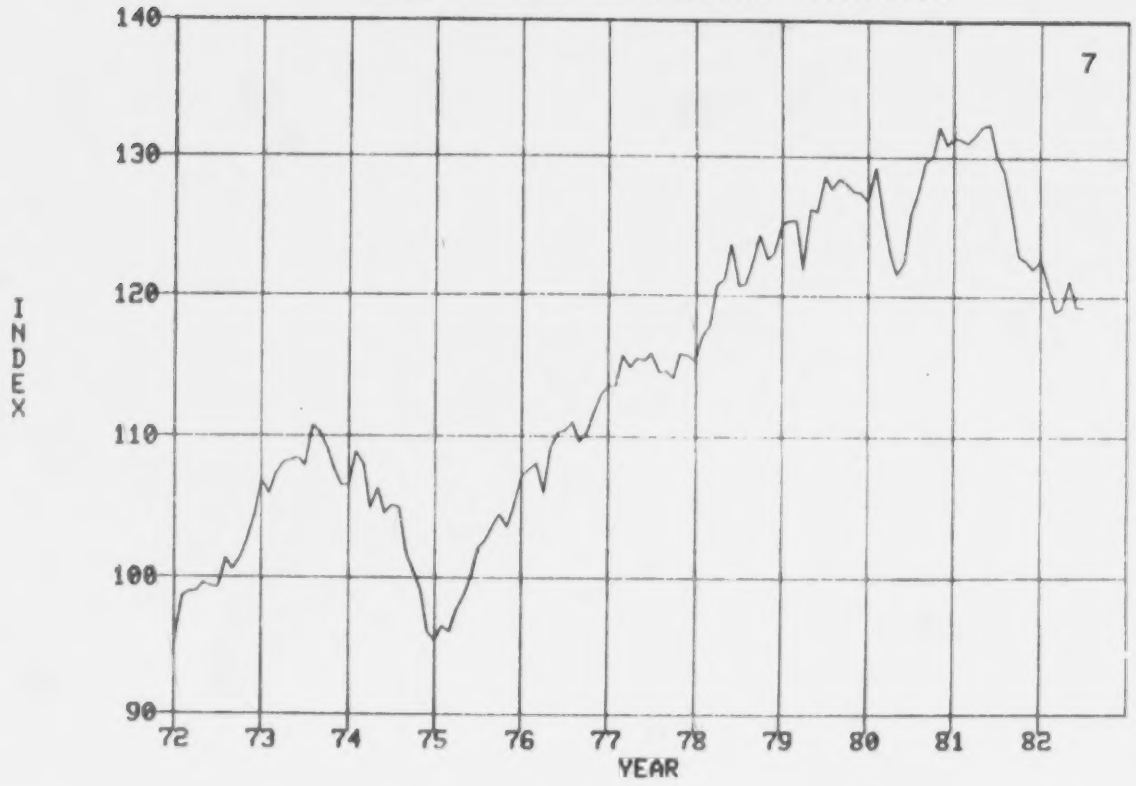
Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is therefore a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but will be of interest to persons looking at overall economic developments.

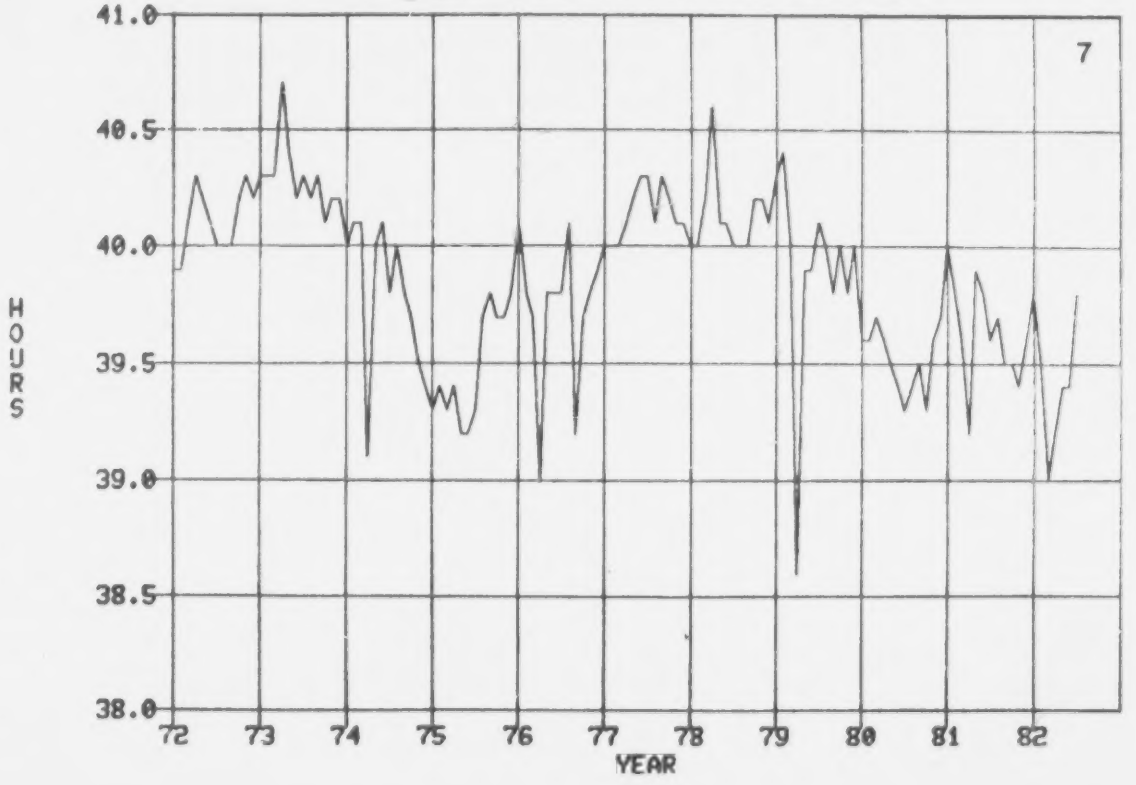
Standard Abbreviations

n.a.	Not available	p	Preliminary
e	Estimate	r	Revised

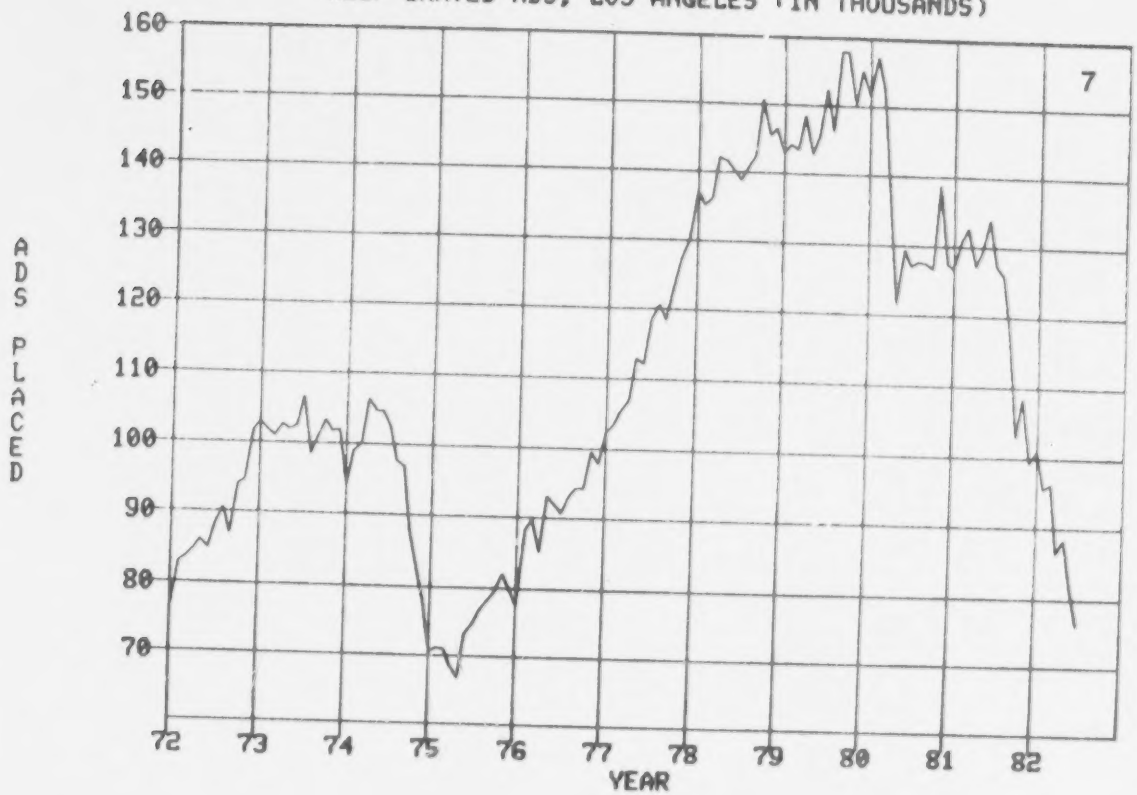
INDEX OF LEADING INDICATORS (1972-100)



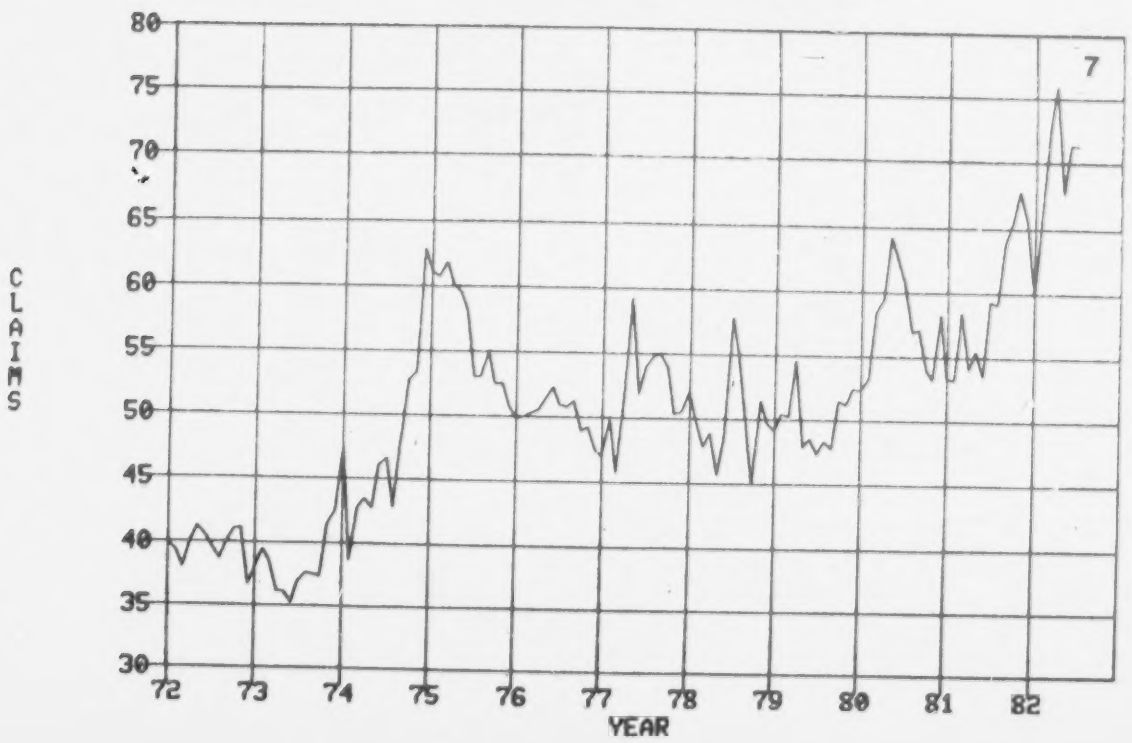
AVERAGE WEEKLY HOURS, MANUFACTURING



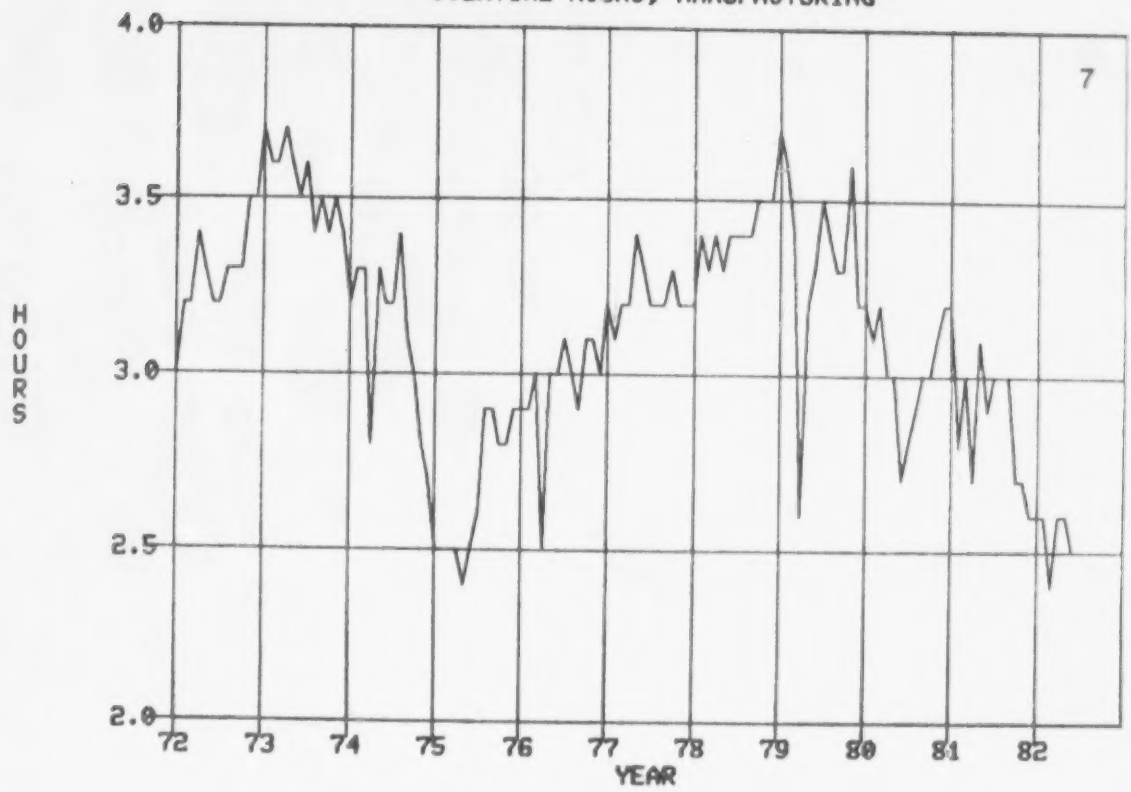
HELP WANTED ADS, LOS ANGELES (IN THOUSANDS)



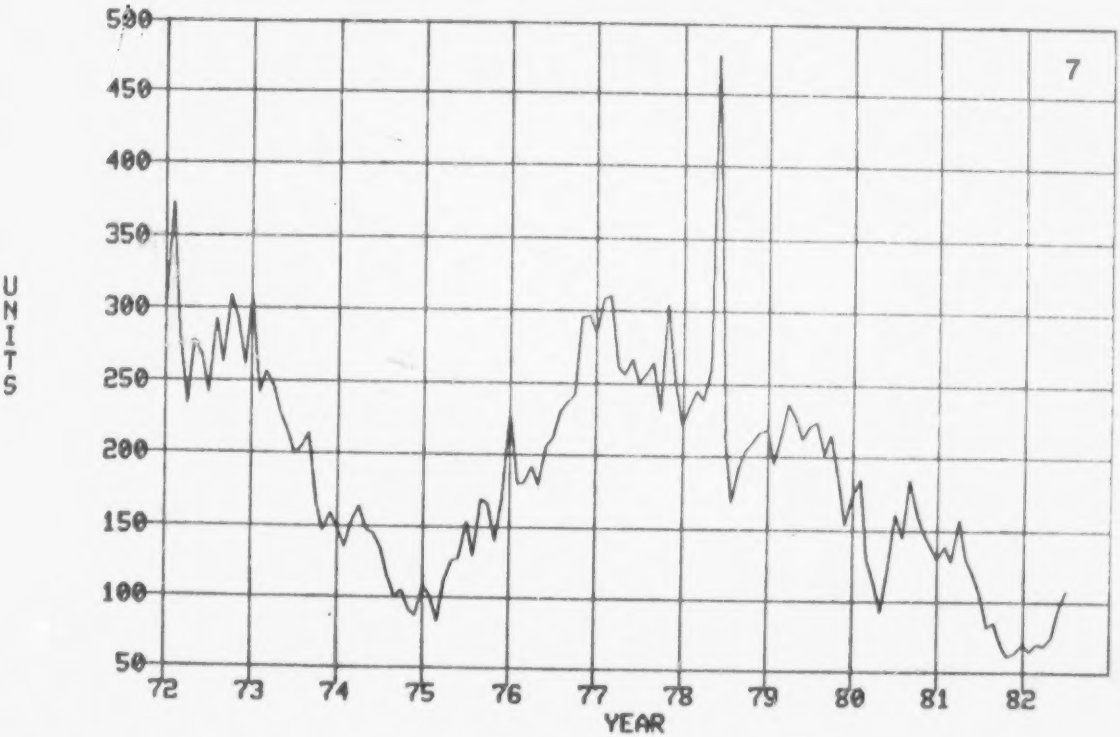
INITIAL CLAIMS FOR UNEMPLOYMENT INSURANCE,
WEEKLY AVERAGE (IN THOUSANDS)

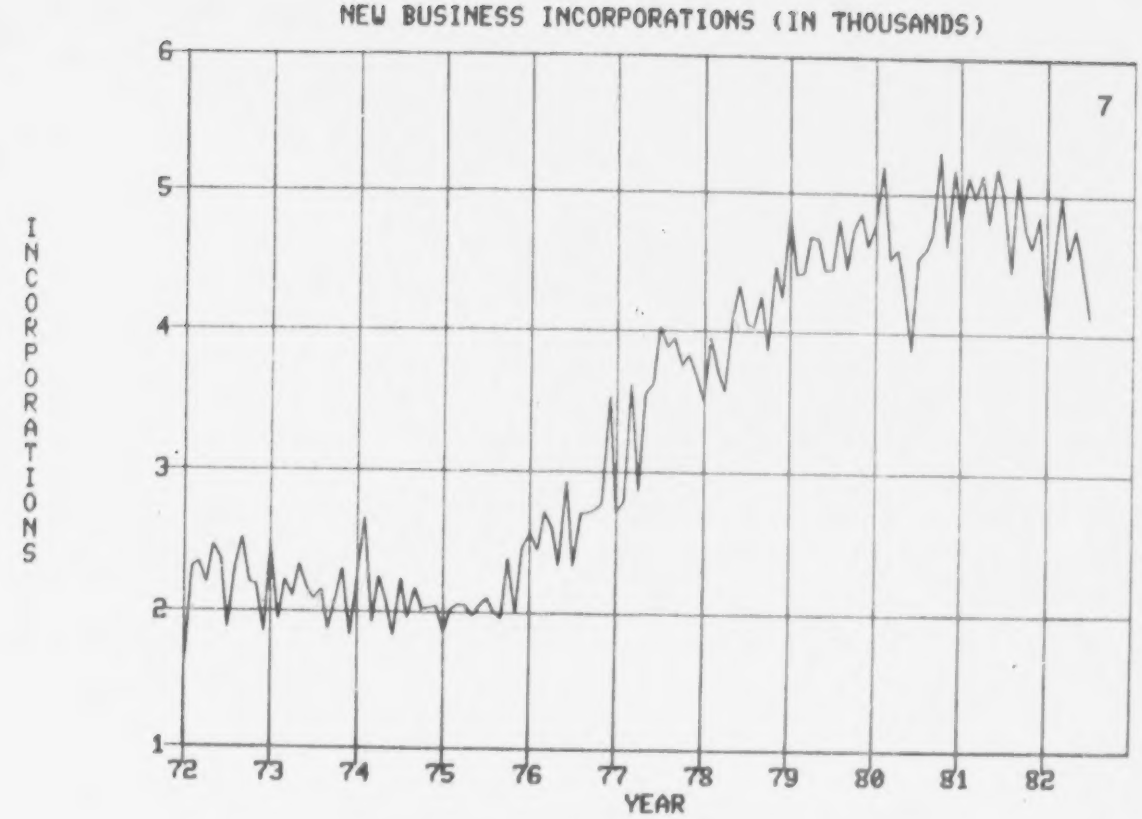


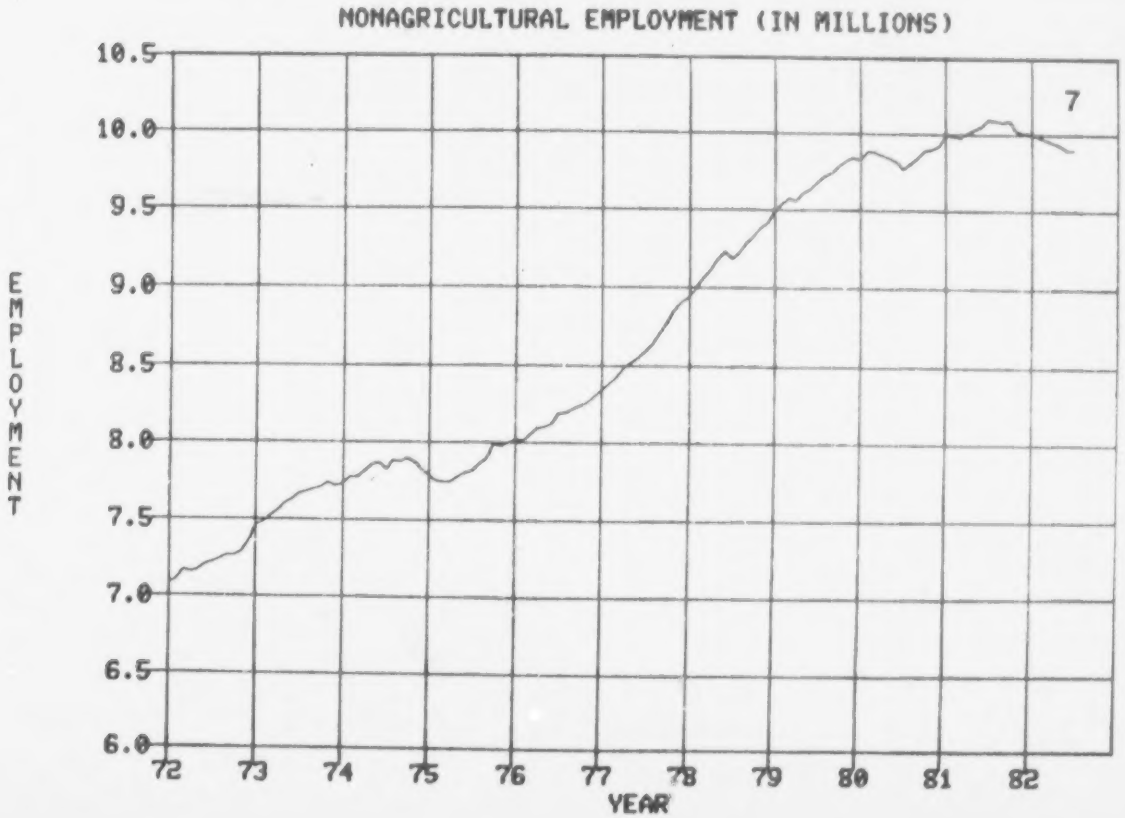
OVERTIME HOURS, MANUFACTURING

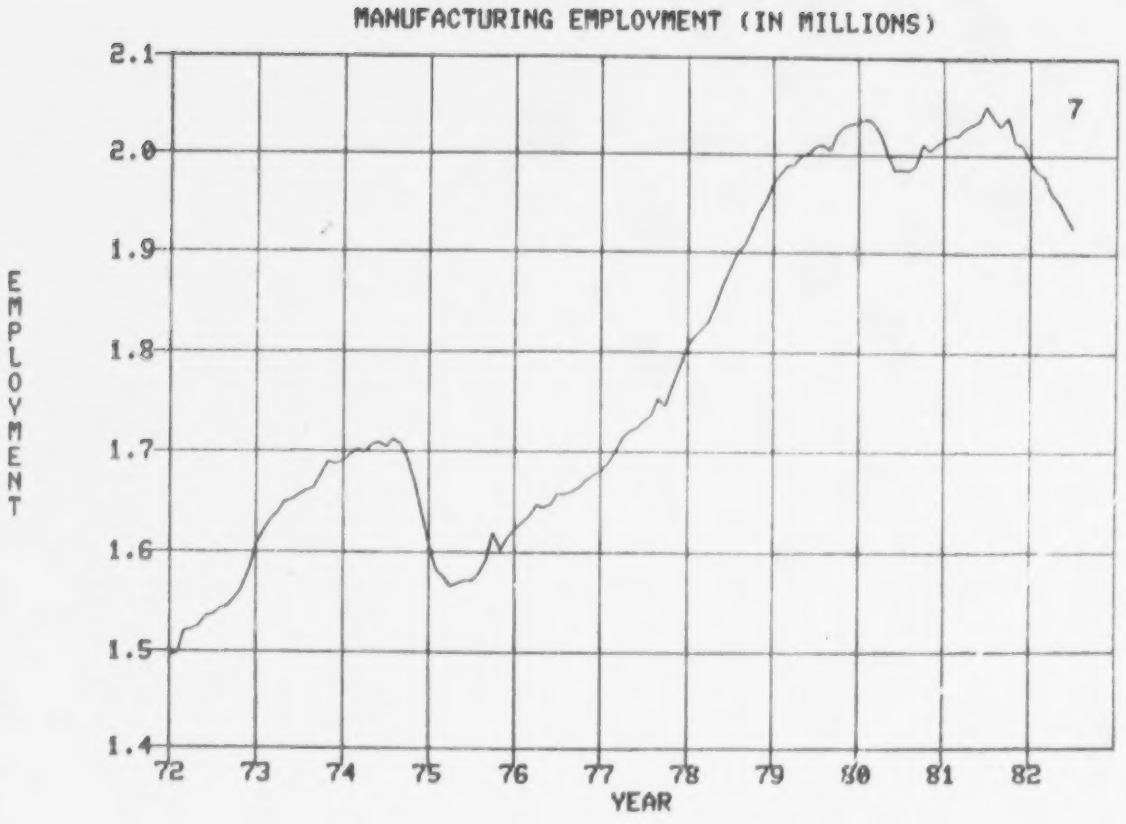


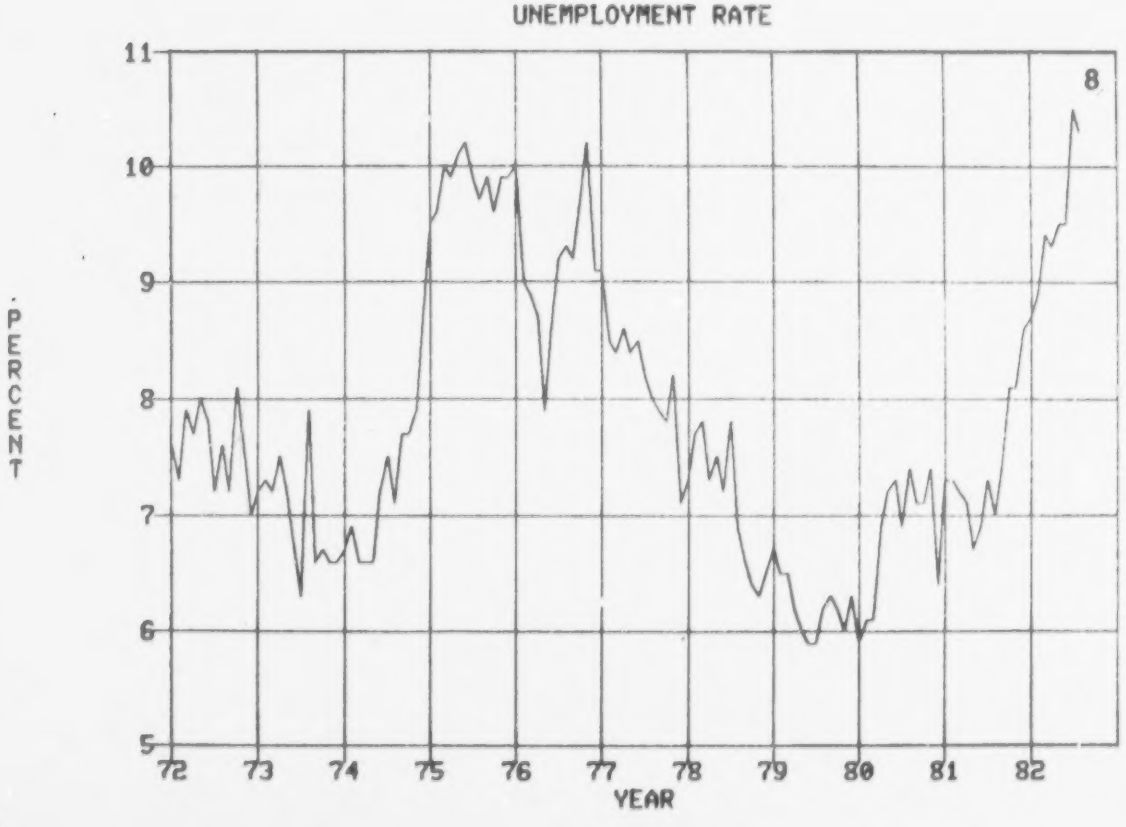
TOTAL HOUSING UNITS AUTHORIZED, ANNUAL BASIS
(IN THOUSANDS)



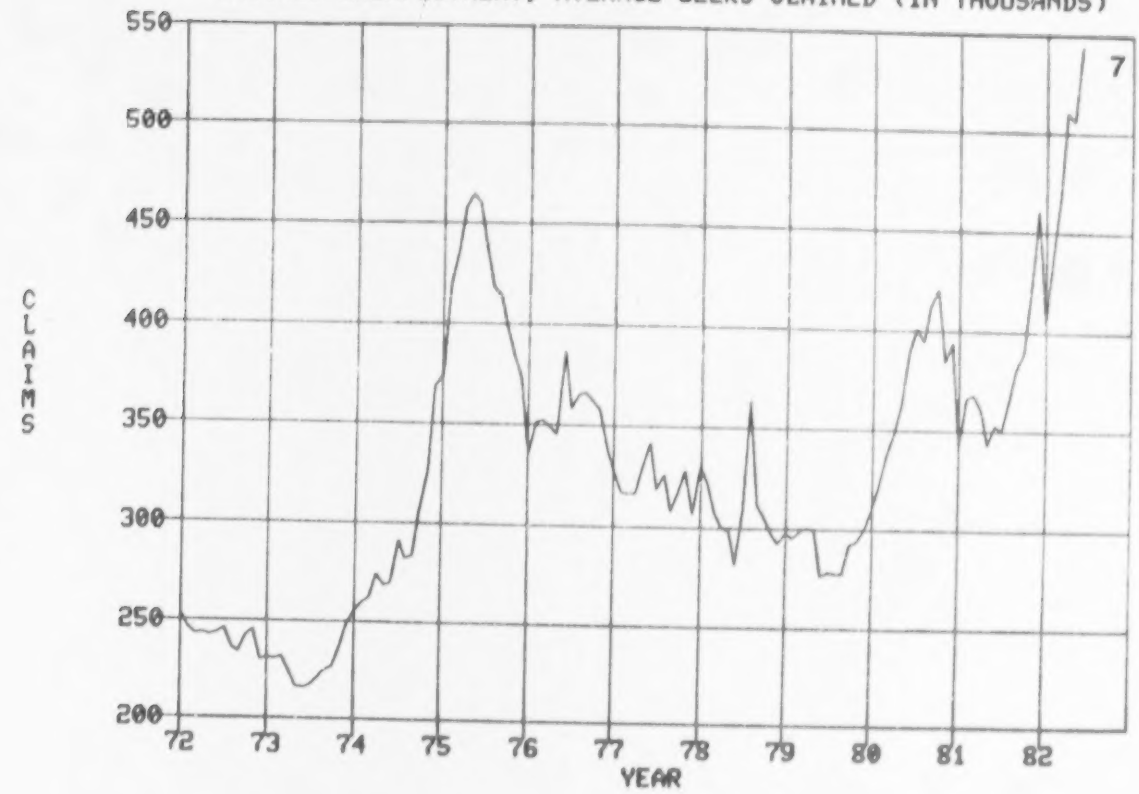

NEW BUSINESS INCORPORATIONS (IN THOUSANDS)
INCORPORATIONS
6
5
4
3
2
1
7
72
73
74
75
76
77
78
79
80
81
82
YEAR


NONAGRICULTURAL EMPLOYMENT (IN MILLIONS)
EMPLOYMENT
10.5
10.0
9.5
9.0
8.5
8.0
7.5
7.0
6.5
6.0
7
72
73
74
75
76
77
78
79
80
81
82
YEAR

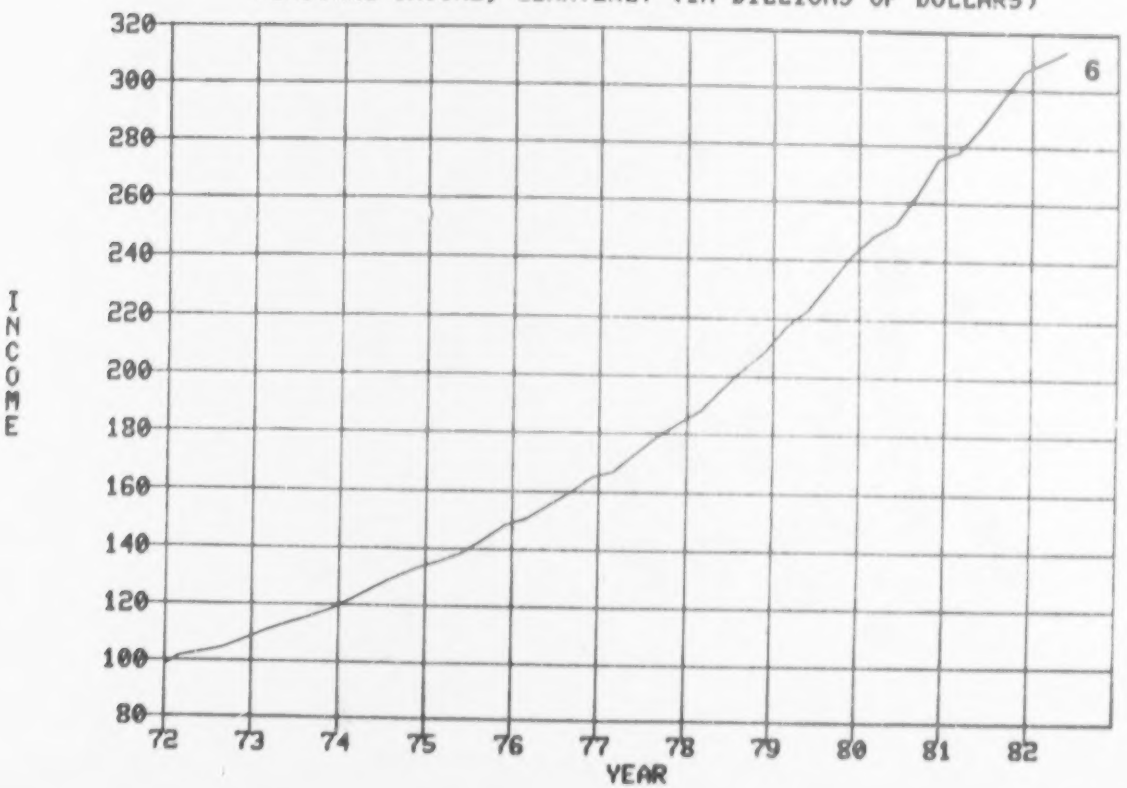

MANUFACTURING EMPLOYMENT (IN MILLIONS)
EMPLOYMENT
2.1
2.0
1.9
1.8
1.7
1.6
1.5
1.4
7
72
73
74
75
76
77
78
79
80
81
82
YEAR


UNEMPLOYMENT RATE
PERCENT
11
10
9
8
7
6
5
8
72
73
74
75
76
77
78
79
80
81
82
YEAR

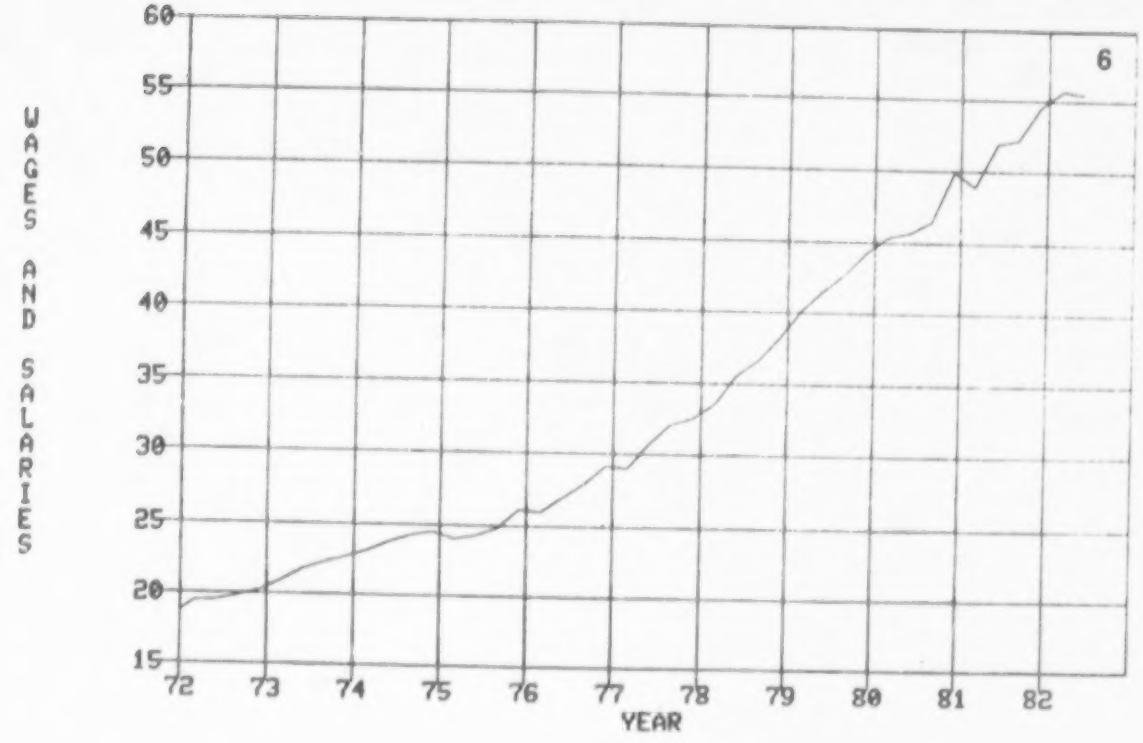
INSURED UNEMPLOYMENT, AVERAGE WEEKS CLAIMED (IN THOUSANDS)



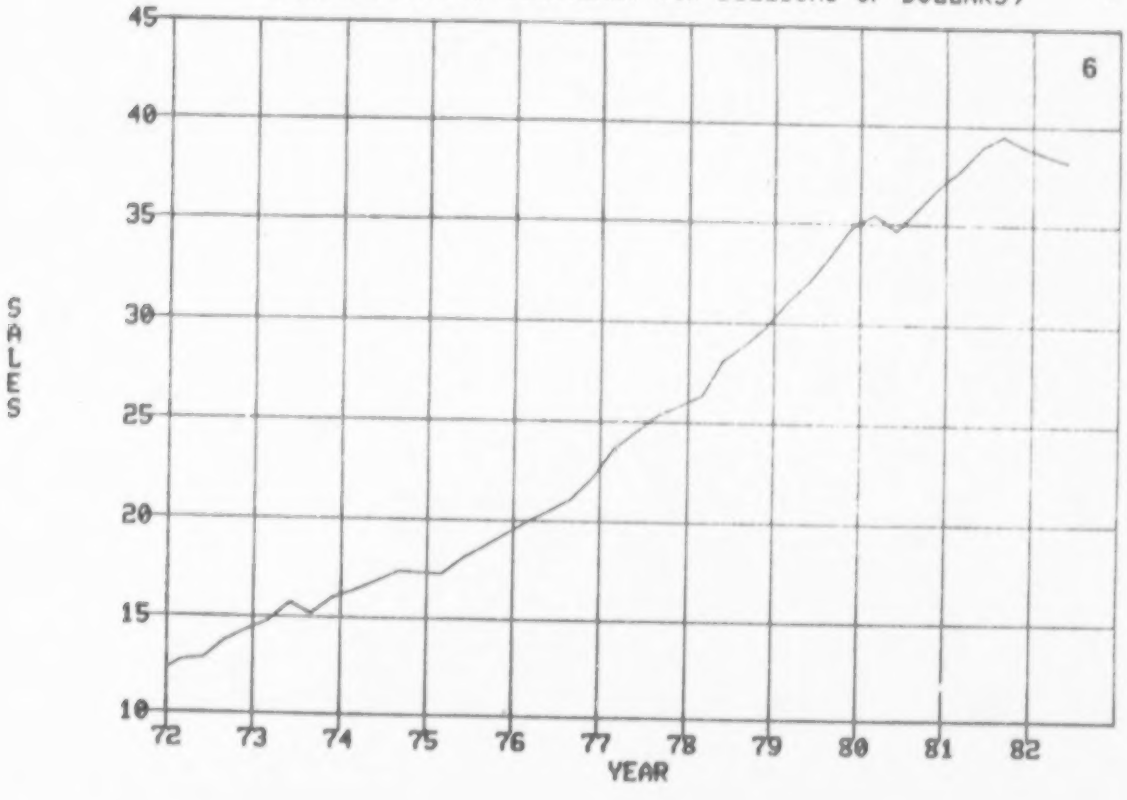
PERSONAL INCOME, QUARTERLY (IN BILLIONS OF DOLLARS)

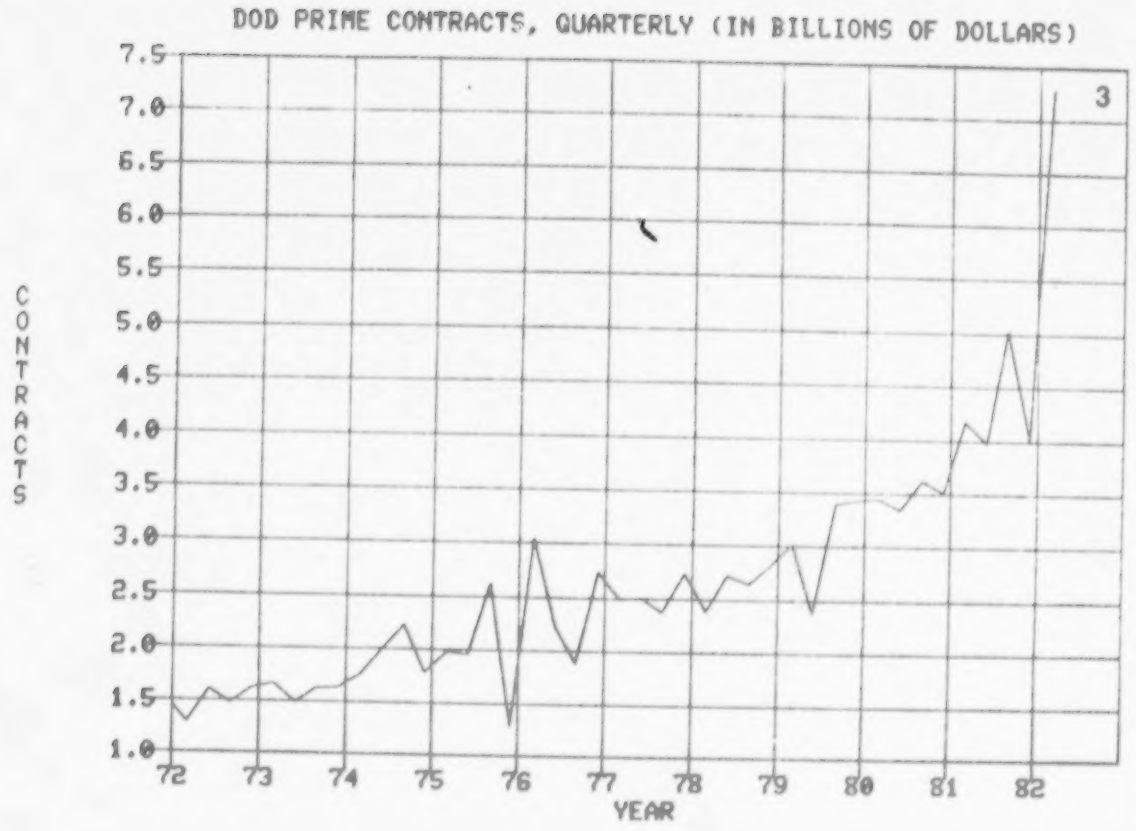


WAGES AND SALARIES FROM MINING, MANUFACTURING, AND CONSTRUCTION, QUARTERLY (IN BILLIONS OF DOLLARS)



TAXABLE SALES, QUARTERLY (IN BILLIONS OF DOLLARS)




DOD PRIME CONTRACTS, QUARTERLY (IN BILLIONS OF DOLLARS)
3
CONTRACTS
7.5
7.0
6.5
6.0
5.5
5.0
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
72
73
74
75
76
77
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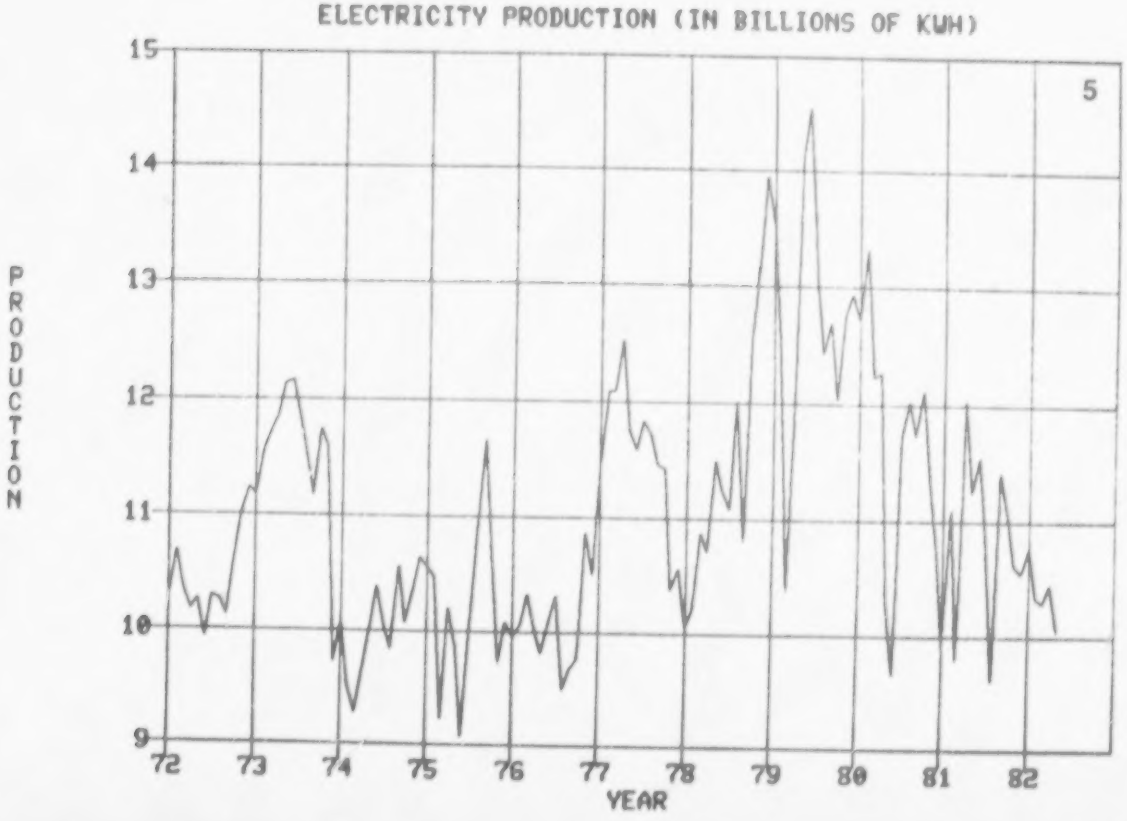
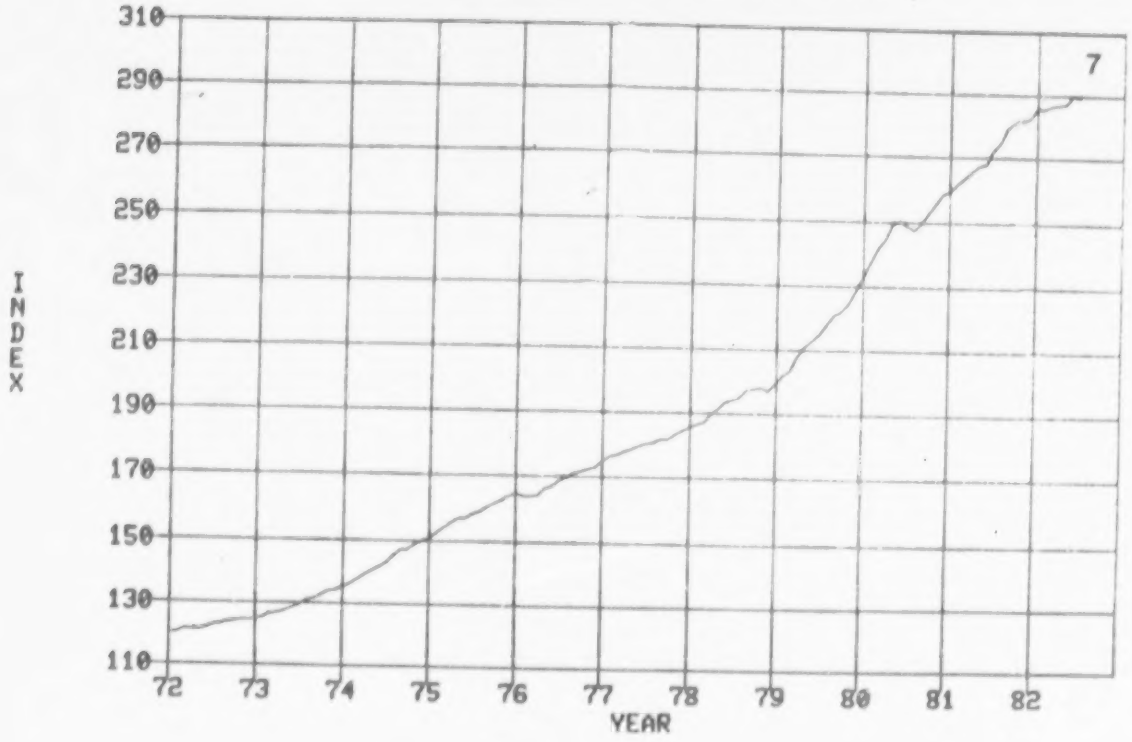
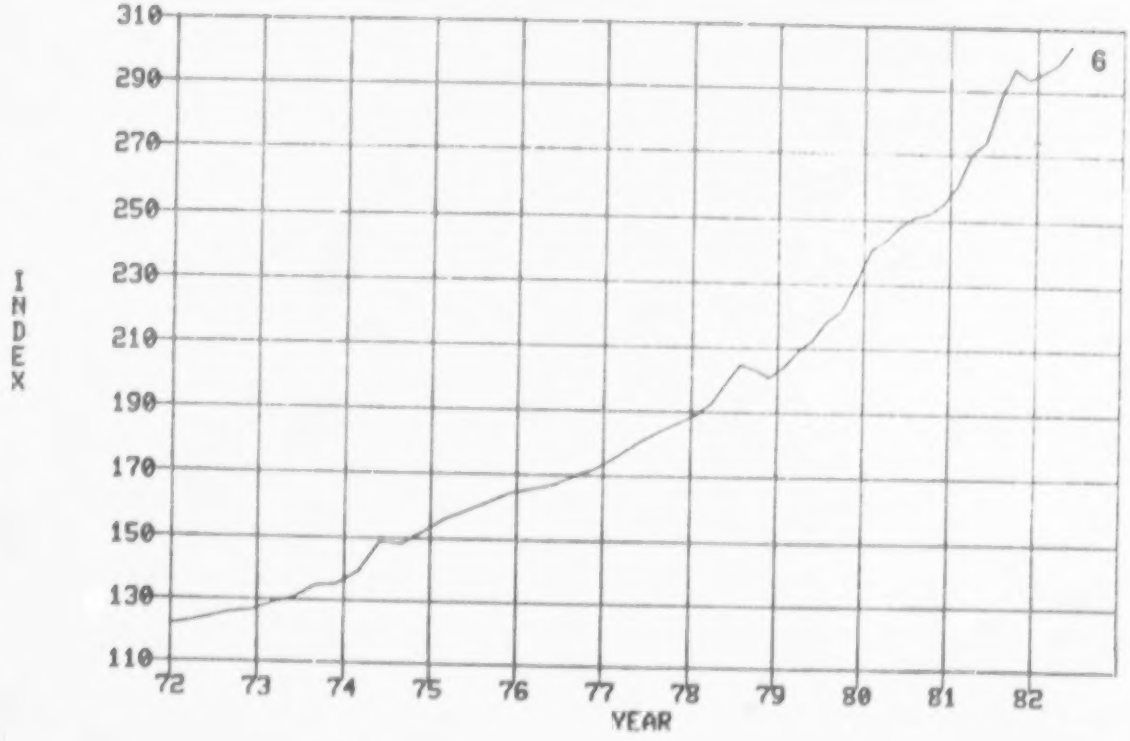
81
82
YEAR


ELECTRICITY PRODUCTION (IN BILLIONS OF KWH)
5
PRODUCTION
15
14
13
12
11
10
9
72
73
74
75
76
77
78
79
80
81
82
YEAR

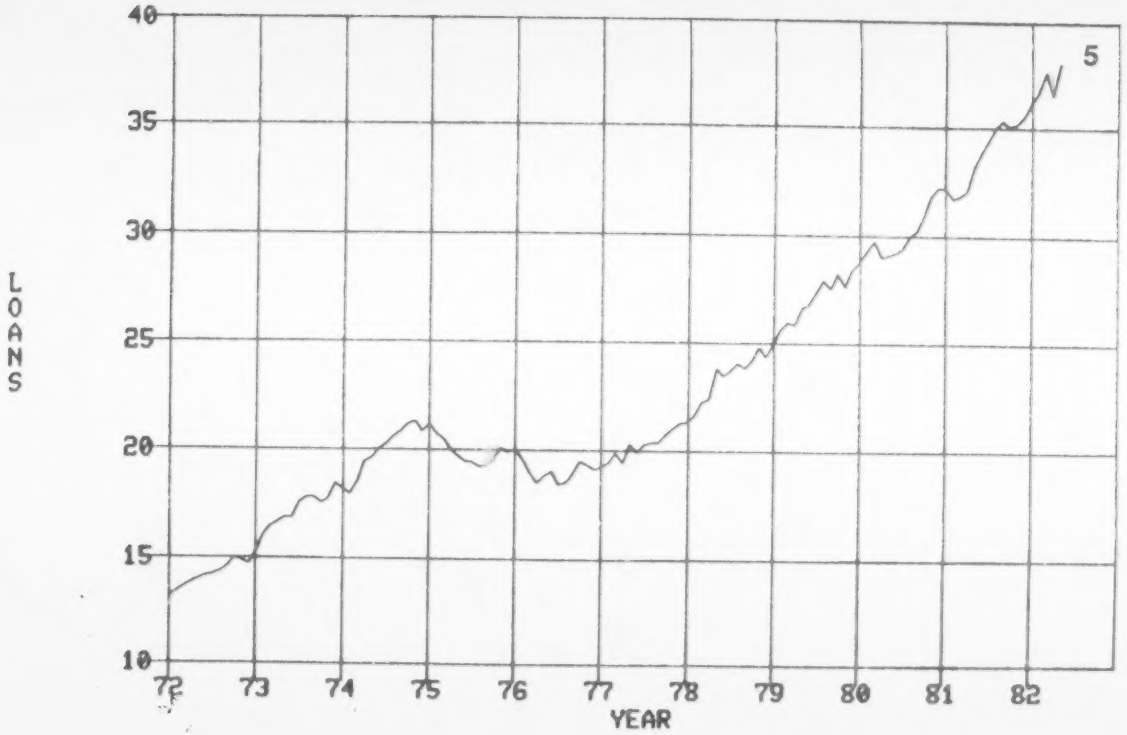
CONSUMER PRICE INDEX, LOS ANGELES
ALL URBAN CONSUMERS (1967=100)



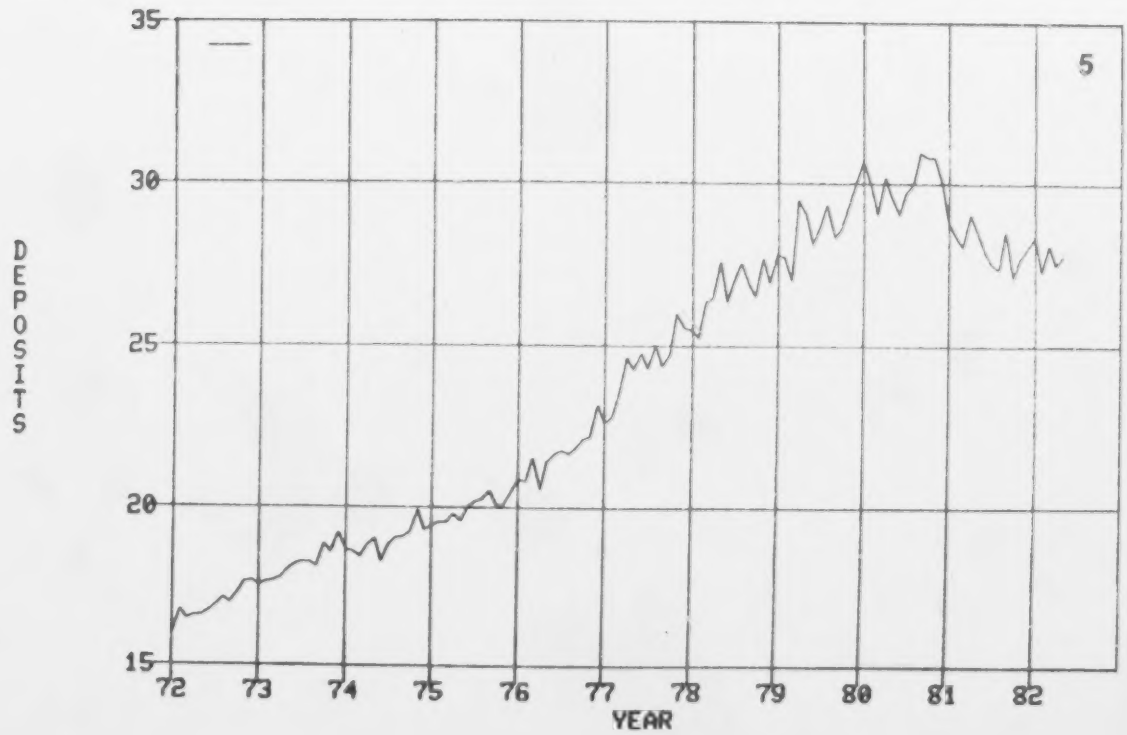
CONSUMER PRICE INDEX, SAN FRANCISCO
ALL URBAN CONSUMERS (1967=100)



CALIFORNIA COMMERCIAL AND INDUSTRIAL LOANS
(IN BILLIONS OF DOLLARS)



CALIFORNIA DEMAND DEPOSITS ADJUSTED
(IN BILLIONS OF DOLLARS)



BASIC DATA FOR CALIFORNIA ECONOMIC SERIES

(Seasonally Adjusted Except as Noted)

Year and Month	Leading Indicators: Index of Leading Indicators r/ (1972=100)	Average Weekly Hours, Manufacturing	Help Wanted Ads-- Los Angeles Area (thousands)	Initial Claims for Unemployment Insurance Weekly Avg. (thousands)	Overtime Hours Manufacturing	Total Housing Units Authorized (thousands)	New Business Incorporations
1978							
July	120.7	40.1	138.9	57.5	3.4	215.5	4,095
August	120.9	40.0	140.6	54.7	3.4	168.6	4,080
September	122.6	40.0	142.4	49.3	3.4	192.5	4,255
October	124.4	40.3	150.6	45.0	3.5	204.2	3,907
November	123.6	40.2	145.5	51.2	3.5	210.1	4,492
December	123.1	40.1	146.5	50.2	3.5	216.4	4,229
1979							
January	125.1	40.2	142.9	49.3	3.6	218.1	4,852
February	125.4	40.4	144.2	50.6	3.6	195.3	4,288
March	125.4	40.0	143.5	50.2	3.4	214.9	4,414
April	121.9	38.7	148.5	54.4	2.7	236.2	4,689
May	126.2	39.9	142.9	47.6	3.3	226.4	4,760
June	126.0	39.9	145.4	48.7	3.3	211.9	4,310
July	128.5	40.2	152.3	47.1	3.5	221.3	4,508
August	127.7	40.0	146.3	48.5	3.4	223.9	4,902
September	128.4	39.9	158.0	47.7	3.3	201.9	4,422
October	128.1	40.0	158.0	51.2	3.3	215.5	4,790
November	127.5	39.8	150.2	50.9	3.5	184.5	4,890
December	127.4	40.0	155.3	53.3	3.2	153.7	4,547
1980							
January	126.7	39.6	151.7	56.4	3.1	173.8	4,778
February	129.2	39.6	157.4	54.9	3.1	184.6	5,206
March	126.0	39.7	152.7	58.5	3.1	130.1	4,534
April	123.1	39.6	135.0	59.0	3.0	112.4	4,592
May	121.6	39.5	121.7	61.0	3.0	92.4	4,326
June	122.5	39.4	129.4	61.9	2.7	124.4	3,882
July	125.9	39.4	127.1	60.0	2.8	161.1	4,439
August	127.6	39.4	127.6	58.2	2.9	145.5	4,596
September	129.6	39.6	127.4	57.9	3.0	184.1	4,710
October	130.1	39.3	126.7	54.9	3.0	161.5	5,312
November	132.2	39.6	138.6	54.4	3.1	149.4	4,631
December	130.9	39.6	127.4	59.1	3.2	138.7	5,181
1981							
January	131.5	39.8	126.7	52.7	3.1	129.9	4,826
February	131.3	39.8	130.8	53.4	2.8	138.9	5,130
March	131.1	39.5	132.6	58.0	3.0	128.3	4,976
April	131.6	39.6	127.2	53.8	2.8	156.8	5,145
May	132.2	39.9	129.4	54.9	3.1	131.3	4,801
June	132.4	39.8	133.9	53.6	3.0	118.9	5,194
July	130.2	39.6	127.4	58.8	3.0	105.8	5,011
August	129.0	39.7	125.9	59.6	3.0	82.5	4,450
September	126.5	39.5	118.2	63.6	3.0	85.6	5,139
October	122.9	39.5	102.8	65.2	2.7	69.1	4,753
November	122.6	39.4	108.4	67.2	2.7	61.1	4,619
December	122.0	39.6	99.3	66.8	2.6	64.2	4,845
1982							
January	122.7	39.8	100.8	59.7	2.6	69.4	4,018
February	121.1	39.5	95.5	65.5	2.6	65.1	4,529
March	118.9	39.0	96.1	72.6	2.4	70.7	4,997
April	119.2	39.2	86.4	75.8	2.6	69.0	4,550
May	121.2	39.4	88.4	67.7	2.6	75.1	4,754
June	119.3	39.4	81.8	71.4	2.5	94.3	4,502
July	119.3	39.8	76.2	71.3	2.5	108.4	4,127

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	Coincident Indicators						Other Indicators
	Nonagricultural Employment (thousands)	Wages and Salaries in Mining, Manufacturing and Construction (mil dol.)	Unemployment Rate	Insured Unemployment Average Weeks Claimed (thousands)	Personal Income (mil dol.)a/	Taxable Sales (mil dol.)b/	Manufacturing Employment (thousands)
1978							
July	9,190.3		7.8	309			1,885.7
August	9,230.8	36,650	7.0	363	202,806	28,930	1,901.4
September	9,303.6		6.7	311			1,913.0
October	9,330.8		6.4	306			1,920.5
November	9,385.8	38,189	6.4	297	208,438	29,835	1,941.0
December	9,417.5		6.4	293			1,951.3
1979							
January	9,483.0		6.5	298			1,967.7
February	9,509.8	40,180	6.4	296	217,444	31,107	1,974.7
March	9,554.3		6.4	299			1,986.9
April	9,549.3		6.1	301			1,986.6
May	9,601.8	41,533	6.1	299	222,892	32,069	1,996.3
June	9,639.5		6.0	276			2,004.2
July	9,685.3		6.0	278			2,011.2
August	9,725.6	42,772	6.4	278	232,363	33,468	2,015.0
September	9,758.1		6.5	278			2,010.7
October	9,780.5		6.2	292			2,019.0
November	9,822.1	44,256	6.0	294	241,225	34,832	2,028.1
December	9,836.5		6.1	300			2,029.2
1980							
January	9,830.5		5.9	310			2,026.1
February	9,888.3	45,332	6.1	323	248,371	35,459	2,033.6
March	9,878.5		6.1	337			2,030.3
April	9,859.3		6.9	349			2,016.9
May	9,839.8	45,693	7.2	363	252,420	34,634	2,005.6
June	9,811.1		7.3	396			1,993.2
July	9,766.8		6.9	401			1,987.3
August	9,802.0	46,470	7.4	395	262,283	35,736	1,987.4
September	9,841.1		7.1	412			1,995.3
October	9,895.3		7.1	420			2,007.8
November	9,897.1	49,946	7.4	384	275,130	36,855	2,004.4
December	9,925.3		6.4	394			2,008.5
1981							
January	9,993.0		7.3	340			2,016.3
February	9,985.8	48,927	7.3	367	277,802	37,732	2,020.2
March	9,978.1		7.2	368			2,020.3
April	10,013.3		7.1	360			2,028.3
May	10,033.3	51,873	6.7	343	286,714	38,914	2,031.6
June	10,055.8		6.9	353			2,036.4
July	10,097.1		7.3	350			2,050.9
August	10,087.3	52,197	7.0	366	296,692	39,509	2,038.3
September	10,086.3		7.4	381			2,030.5
October	10,087.4		8.1	389			2,039.5
November	10,024.9	54,566	8.1	417	306,696	38,924	2,014.1
December	10,011.2		8.6	46			2,010.1
1982							
January	10,011.8		8.7	405			1,994.0
February	9,989.3	55,770	8.9	437	310,097	38,528	1,983.8
March	9,969.3		9.4	467			1,977.8
April	9,953.2		9.3	510			1,961.6
May	9,927.8	55,546	9.5	506	314,012	38,166	1,952.2
June	9,901.4		9.5	544			1,938.9
July	9,901.8		10.5				1,924.8
August			10.3				

BASIC DATA FOR CALIFORNIA ECONOMIC SERIES (Continued)

(Seasonally Adjusted Except as Noted)

Year and Month	DOD Prime Contracts (mil dol.) b/	Other Indicators: Consumer Price Index (1967=100) c/ San Francisco: Wage Earner and Clerical Worker	San Francisco: All Urban	Los Angeles: Wage Earner and Clerical Worker	Los Angeles: All Urban	California Commercial and Industrial Loans (mil dol.)	California Demand Deposits Adjusted (mil dol.)	Electricity Production (mil KWH)
1978								
July		--	--	194.3	194.3	23,727	27,057	11,145
August	2,650	204.0	204.7	194.7	194.9	24,061	27,550	12,026
September		--	--	196.9	197.3	23,853	26,931	10,781
October		202.6	203.2	197.2	197.8	24,178	26,545	12,521
November	2,814	--	--	197.5	198.1	24,790	27,695	13,195
December		200.4	200.8	197.0	197.1	24,390	26,956	13,968
1979								
January		--	--	199.7	199.6	24,955	27,782	13,803
February	3,015	204.2	203.9	202.3	201.9	25,563	27,761	12,461
March		--	--	204.4	203.8	25,917	27,011	10,778
April		209.3	208.8	208.8	207.8	25,836	29,474	11,708
May	2,373	--	--	212.4	211.0	26,618	29,038	13,833
June		213.7	212.5	214.5	212.9	26,786	28,141	13,929
July		--	--	216.8	214.7	27,380	28,715	13,231
August	3,392	218.6	218.3	219.6	217.5	27,864	29,326	12,500
September		--	--	223.0	220.7	27,517	28,360	12,582
October		220.8	221.5	224.0	221.8	28,191	28,613	11,987
November	3,423	--	--	225.8	224.2	27,628	29,341	12,709
December		229.0	230.2	229.9	228.0	28,396	29,951	12,970
1980								
January		--	--	235.0	232.6	28,763	30,657	13,136
February	3,449	240.0	240.7	240.0	237.6	29,315	29,968	13,292
March		--	--	243.9	241.3	29,691	29,037	12,908
April		242.8	243.5	247.8	244.6	28,966	30,185	12,073
May	3,350	--	--	252.6	249.1	29,091	29,577	10,040
June		247.7	248.0	253.4	250.1	29,203	29,049	9,150
July		--	--	251.5	248.7	29,414	29,714	11,914
August	3,617	251.4	251.0	250.1	247.3	29,979	29,981	12,115
September		--	--	251.6	249.6	30,175	30,939	11,582
October		252.6	251.9	254.9	252.6	30,961	30,809	12,040
November	3,513	--	--	258.4	255.5	31,832	30,802	11,312
December		255.7	254.9	262.2	258.7	32,213	30,041	10,690
1981								
January		--	--	262.7	259.4	32,168	28,806	9,919
February	4,176	261.6	260.5	265.0	261.6	31,730	28,371	11,096
March		--	--	266.5	263.3	31,822	28,066	9,811
April		270.9	270.3	269.1	265.5	32,050	29,062	12,026
May	3,980	--	--	270.7	267.3	33,120	28,542	11,246
June		274.3	274.0	271.7	267.9	33,882	27,891	11,540
July		--	--	276.3	272.2	34,365	27,533	10,786
August	5,017	287.2	287.9	278.6	274.8	35,035	27,385	9,622.
September		--	--	282.9	279.3	35,306	28,537	11,417
October		295.6	297.0	284.9	281.3	35,082	27,124	11,045
November		--	--	285.5	281.8	35,173	27,684	10,618
December	4,007	292.7	294.0	286.1	282.3	35,539	28,060	10,548.
1982								
January		--	--	289.8	285.6	36,213	28,359	10,758
February	7,292	249.9	295.8	289.4	285.6	36,674	27,290	10,348
March		--	--	290.4	286.6	37,646	28,117	10,291
April		297.8	298.8	290.5	286.8	36,517	27,517	10,453
May		--	--	290.6	287.1	38,064	27,821	10,052
June		303.4	304.6	293.9	290.1			
July		--	--	293.0	289.3			

a/Annual basis.
b/Quarterly data.
c/Not adjusted for seasonal variation.
r/Revised

CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national events of general interest have also been included.

1969

January 1	Social security contribution rate increased to combined 9.6 percent.
January 7	Prime rate raised from 6-3/4 percent to 7 percent.
January 24	FHA interest rate raised from 6-3/4 percent to 7-1/2 percent.
March 17	Prime rate raised from 7 percent to 7-1/2 percent.
April 3	Discount rate raised from 5-1/2 percent to 6 percent; reserve requirement raised.
June 9	Prime rate raised from 7-1/2 percent to 8-1/2 percent.
June 12	Required liquidity reserves of savings and loan associations lowered from 6-1/2 percent to 6 percent.
October 27-February 1970	General Electric strike.

1970

January 1	Personal income tax surcharge reduced to 5 percent. Withholding cut.
January 5	FHA interest rate raised from 7-1/2 percent to 8-1/2 percent.
January 21	Increased schedule of interest rates on time deposits and certificates of deposit in effect.
March 25	Prime rate reduced from 8-1/2 percent to 8 percent.
April 2-June 2	Teamster strike.
May 6	Stock margin requirement cut from 80 percent to 65 percent.
July 1	Personal income tax surcharge removed.
September 14-November 23	UAW strike against GM.
September 22	Prime rate reduced from 8 percent to 7-1/2 percent.

1970--Continued

November 10	Discount rate reduced from 6 percent to 5-3/4 percent.
November 12	Prime rate reduced from 7-1/2 percent to 7-1/4 percent.
November 23	Prime rate reduced from 7-1/4 percent to 7 percent.
December 1	Discount rate reduced from 5-3/4 percent to 5-1/2 percent. FHA interest rate reduced from 8-1/2 percent to 8 percent.
December 20	13-week extended duration unemployment benefits in effect.
December 22	Prime rate reduced from 7 percent to 6-3/4 percent.

1971

January 6	Prime rate reduced from 6-3/4 percent to 6-1/2 percent.
January 8	Discount rate reduced from 5-1/2 percent to 5-1/4 percent.
January 12	FHA interest rate reduced from 8 percent to 7-1/2 percent.
January 15	Prime rate reduced from 6-1/2 percent to 6-1/4 percent.
January 18	Prime rate reduced from 6-1/4 percent to 6 percent.
January 19	Discount rate reduced from 5-1/4 percent to 5 percent.
February 4	Rolls Royce bankruptcy announced.
February 9	Los Angeles earthquake.
February 12	Discount rate reduced from 5 percent to 4-3/4 percent.
February 16	Prime rate reduced from 6 percent to 5-3/4 percent.
February 23	Davis Bacon Act regulating construction wages on Federal projects suspended. Suspension revoked on March 29. Wage-price curbs ordered.

1971--Continued

March 16	Prime rate reduced from 5-3/4 percent to 5-1/2 percent.
March 17	Social security bill signed. Benefits raised 10 percent, retroactive to Jaunary 1, 1971. Contribution base raised to $9,000 effective January 1, 1972.
March 25	SST program terminated.
April 1	Interest rates on savings accounts in California banks generally reduced from 4-1/2 percent to 4 percent.
April 23	Prime rate raised from 5-1/4 percent to 5-1/2 percent.
May 1	Liquidity ratio for savings and loan associations raised from 6-1/2 percent to 7-1/2 percent.
May 17-18	Rail strike.
June 1-July 27	Communications workers strike against Western Union.
June 15-21	Prime rate increased from 5-1/2 percent to 5-3/4 percent. General rise to 6 percent on July 7.
June 29-July 16	Northern California construction strike.
July 1-October 6	West Coast dock strike.
July 14-August 2	Telephone strike.
July 15	Discount rate raised from 4-3/4 percent to 5 percent.
July 16-August 2	Rail strike.
July 31	Steel strike averted by accord on contract.
August 2	Lockheed loan guarantee approval.
August 3	Teamsters walkout in Northern California against building contractors.
August 15-November 13	President's economic policy message; 90-day wage-price freeze in effect.
October 1	East and Gulf Coast longshoremen's strike.
October 20	Prime rate reduced from 6 percent to 5-3/4 percent. Further reduction to 5-1/2 percent on November 4.

1971--Continued

November 11	Discount rate reduced from 5 percent to 4-3/4 percent.
November 14	Phase II of NEP in effect.
December 6	Stock margin requirements cut from 65 percent to 55 percent.
December 10	Revenue Act of 1971 signed into law.
December 13	Discount rate reduced from 4-3/4 percent to 4-1/2 percent. Prime rate lowered from 5-1/2 percent to 5-1/4 percent.*
	Intent to devalue U.S. dollar announced.

1972

January 17-February 20	West Coast dock strike continued.
February 1-March 15	Kaiser Steel Company strike.
July 1	20 percent increase in social security benefits signed into law. Effective September.
September 11	Opening of BART Fremont-Oakland line.
September 21	"Friends of Mammoth" decision.
November 24	Stock margin requirements raised to 65 percent.

1973

January 11	Phase III of NEP in effect.
January 15	Discount rate raised from 4-1/2 percent to 5 percent.
January 27	Viet Nam cease fire signed.
January 29	Opening of BART Richmond-Oakland line.
February 12	10 percent devaluation of U.S. dollar announced.
March 2	Major foreign currency exchanges closed.
March 29	Price controls of meat announced.

* Adoption of a floating prime rate in November 1971 has resulted in frequent minor adjustments in the rate. Information on the range of rates at any one time and the rate charged by the majority of commercial banks may be obtained from the Federal Reserve Bulletin.

1973

April 9-13	Consumer meat boycott.
April 23	Discount rate raised from 5-1/2 percent to 5-3/4 percent.
May 10	Discount rate raised from 5-3/4 percent to 6 percent.
June 11	Discount rate raised from 6 percent to 6-1/2 percent.
June 14	60-day price freeze announced.
July 2	Discount rate raised from 6-1/2 percent to 7 percent. Increased reserve requirement on net demand deposits.
July 6	Interest rates increased: FHA mortgage rate: 7 percent to 7-3/4 percent; bank savings rate: 4-1/2 percent to 5 percent; savings and loan rate: 5 percent to 5-1/4 percent.
July 18	Phase IV announced.
August 27	Prime rate at 9-3/4 percent in major institutions.
October 17	Arab nations announce reductions in oil shipment.
November 5-December 18	TWA strike.

1974

January 3	Stock margin requirements cut from 65 percent to 50 percent.
February 1-11	Independent truckers strike, midwest and east coast.
February 15	Prime rate reduced to 9 percent.
February 22	Prime rate reduced to 8-3/4 percent.
March 4	California minimum wage increased to $2.00 per hour from $1.65.
March 18	Arab oil embargo lifted.
March 27	Prime rate increased to 9 percent from 8-3/4 percent.
March 28	Prime rate further increased to 9-1/2 percent.
April 25	Federal Reserve raised discount rate to 8 percent from 7-1/2 percent.
April 29	Prime rate up to 10-3/4 percent.

1974--Continued

April 30	Phase IV controls lifted in approximately 165 sectors of the economy.
June 17-August 4	San Diego construction strike.
June 17-July 21	Northern California construction strike.
July 1-Mid-August	Southern California construction strike.
July 1	Transit strikes, San Francisco Bay Area.
August 2-October 21	Los Angeles area transit strike.
August 8	Resignation of President Nixon announced.
August 14	FHA mortgage rate raised to 9-1/2 percent.
	Prime rate reduced from 12 percent to 11-3/4 percent on limited basis. Prevailing rate on date of major changes:
	October 21....11 1/2 percent October 28....11 1/4 percent November 4....11 percent November 14...10 3/4 percent November 25...10 1/2 percent
October 8	Prime rate reduced from 12 percent to 11-3/4 percent by several more large banks.
November 12-December 9	Coal strike.
December 9	Discount rate reduced from 8 percent to 7-3/4 percent.

1975

January 6	Federal Reserve discount rate cut from 7-3/4 percent to 7-1/4 percent.
January 10	Oil Chemical Atomic Workers Union strike.
January 13	Prime rate reduced to 10 percent. Further major cuts as follows:
	Jannuary 21.....9 3/4 percent January 31.....9 percent February 6.....8 3/4 percent February 19.....8 1/2 percent March 3.....8 1/4 percent March 8.....8 percent
January 21	FHA mortgage rate reduced from 9 percent to 8-1/2 percent.
February 5	Federal Reserve discount rate cut from 7-1/4 percent to 6-3/4 percent.

1975--Continued

March 10	Federal Reserve discount rate cut from 6-3/4 percent to 6-1/4 percent.
March 24	Prime rate reduced to 7-1/2 percent by most major banks.
March 25	King Faisal assassinated.
March 29	Tax reduction act signed into law.
May 19	Prime rate reduced to 7-1/4 percent by several major banks.
June 10	Prime rate reduced to 7 percent by most banks.
July 18	Prime rate increased to 7-1/4 percent. Further gains as follows: July 25.....7-1/2 percent August 11.....7-3/4 percent September 15....8 percent
September 1	National Airlines strike.
October 16	Reserve requirement on time deposits reduced from 3 percent to 1 percent.
October 24	Prime rate reduced to 7-3/4 percent. Further reductions as follows: October 31.....7-1/2 percent November 21.....7-1/4 percent
December 5-19	United Airlines strike.

1976

January 12	Prime rate lowered to 7 percent.
January 19	Federal Reserve discount rate lowered from 6 percent to 5-1/2 percent.
January 21	Prime rate reduced to 6-3/4 percent.
April 1-3	Teamsters strike.
April 9-June 4	Prime rate moving upward, 6-3/4 percent to 7-1/4 percent at most major banks.
April 21	Rubber workers strike.
July 20-August 2	Cannery workers strike.
August 2	Prime rate reduced to 7 percent. Further reductions as follows: October 4.....6-3/4 percent October 29.....6-1/2 percent December 10....6-1/4 percent

1976--Continued

September 15-October 13	Auto workers strike.
October 18	California minimum wage raised to $2.50 per hour.
December 22	Prime rate reduced to 6 percent by Chase Manhattan Bank. Most banks maintain a prime rate of 6-1/4 percent.

1977

May 16	Prime rate raised to 6-1/2 percent.
May 31	Prime rate raised to 6-3/4 percent.
August 22	Prime rate raised to 7 percent.
August 30	Federal Reserve discount rate raised from 5-1/4 percent to 5-3/4 percent, the first increase since April 1974.
September 16	Prime rate raised to 7-1/4 percent.
October 1-November 24	Longshoremen's strike against East and Gulf Coast ports.
October 7	Prime rate raised to 7-1/2 percent.
October 10-January 4	IAM-Lockheed strike.
October 24	Prime rate raised from 7-1/2 percent to 7-3/4 percent.
October 26	Discount rate raised from 5-3/4 percent to 6 percent.
December 6-March 24	United Mine Workers strike.

1978

January 1	U.S. minimum wage increased to $2.65 per hour.
January 9	Discount rate raised from 6 percent to 6-1/2 percent.
January 10	Prime rate raised to 8 percent.
February 28	FHA mortgage rate raised from 8-1/2 percent to 8-3/4 percent.
April 1	California minimum wage increased from $2.50 to $2.65 per hour.
April 1-May 28	United Airlines strike.
May 4	Prime rate raised from 8 percent to 8-1/4 percent.

1978--Continued

May 8	California savings and loan assocations raised mortgage rates from 9-3/4 percent to 10 percent.
May 12	Discount rate raised to 7 percent.
May 23	Federal funds rate increased to 7-1/2 percent.
	FHA-VA mortgage rate raised from 8-3/4 percent to 9 percent.
May 26	Prime rate raised from 8-1/4 percent to 8-1/2 percent.
June 6	Proposition 13 approved by California voters.
June 16	Prime rate raised to 8-3/4 percent.
June 20	OPEC announced a freeze on crude oil prices until December 16.
June 22	Federal funds rate raised from 7-1/2 percent to 7-3/4 percent.
June 29	FHA-VA mortgage rate raised to 9-1/2 percent.
June 30	Prime rate raised to 9 percent.
July 10	Discount rate raised to 7-1/4 percent.
July 18	Teamsters union strike affecting supermarkets throughout Northern California.
August 20	Retail clerks union strike in Southern California.
August 21	Discount rate raised to 7-3/4 percent.
August 29	Federal funds rate raised from 8-1/8 percent to 8-1/4 percent.
August 31	Prime rate raised by some eastern banks from 9 percent to 9-1/4 percent.
September 15	Prime rate raised to 9-1/2 percent.
September 22	Discount rate raised from 7-3/4 percent to 9-3/4 percent.
September 28	Prime rate raised from 9-1/2 percent to 9-3/4 percent.

1978--Continued

October 12	Prime rate raised from 9-3/4 percent to 10 percent.
October 15	Tax cut and energy bills passed by Congress.
October 16	Discount rate raised from 8 percent to 8-1/2 percent.
October 18	Federal funds rate raised from 8-3/4 percent to 8-7/8 percent.
October 24	Prime rate raised from 10 percent to 10-1/4 percent.
	California mortgage rates raised from 10 percent to 10-1/4 percent at several savings and loan institutions.
October 24	Phase II announced: voluntary guidelines on wages and prices.
November 1	Discount rate raised from 8-1/2 percent to 9-1/2 percent.
	Prime rate raised to 10-1/2 percent.
November 3	Prime rate raised from 10-1/2 percent to 10-3/4 percent.
November 13	Prime rate raised from 10-3/4 percent to 11 percent.
November 24	Prime rate raised to 11-1/2 percent.
November 27	Federal funds rate raised from 9-3/4 percent to 9-7/8 percent.
December 4	Rollover for 6-month certificates of deposit (CDs) began this week.
December 19	Federal funds rate raised to 10 percent.
December 20	Prime rate raised to 11-3/4 percent.

1979

January 1	U.S. minimum wage increased to $2.90 per hour.
January 13	Prime rate reduced to 11-1/2 percent.
March 15	Terms for MMCs changed. 1/4 point differential over 9 percent eliminated.
March 27	OPEC price increases: 9 percent. Selected surcharges imposed.

1979--Continued

March 31	United Airlines-machinist strike.
April 1-10	Teamsters strike.
May 7	Prime rate moved to 11-3/4 percent from 11-1/2 percent.
May 19	Federal funds rate set at 7-1/4 percent.
May 26	United Airlines strike ended.
May 30	Interest rate on conventional mortgages raised to 11-3/4 percent.
June 12	Prime rate reduced to 11-1/2 percent.
July 1	Interest rates on passbook accounts up to 5.5 percent at Savings and Loans and 5.25 percent for banks.
July 20	Discount rate raised from 9-1/2 percent to 10 percent.
August 16	Discount rate raised to 10-1/2 percent.
August 24	Federal funds rate raised from 11 percent to 11-1/4 percent.
August 26-September 10	Los Angeles Rapid Transit District strike.
August 28	Prime rate raised from 12 percent to 12-1/4 percent.
August 31-November 21	BART strike.
September 4	Federal funds rate raised from 11-1/percent

1980

February 25	Prime rate raised to 16-1/2 percent.
February 27	Ceilings on interest rates for government backed mortgages raised to 13 percent.
February 29	Prime rate raised to 16-3/4 percent.
March 4	Prime rate raised to 17-1/4 percent.
March 7	Prime rate raised to 17-3/4 percent.
March 13	Prime rate raised to 18-1/4 percent.

1980--Continued

March 14	Announcement of tighter fiscal policies.
March 18	Prime rate raised to 19 percent.
April 2	Prime rate raised to 20 percent.
April 3	FHA mortgages raised to 14 percent.
April 20	Prime rate reduced to 19-1/2 percent.
April 28	FHA mortgages reduced to 13 percent.
	Prime rate reduced to 18-1/2 percent.
May 5	Prime rate reduced to 18 percent.
May 7	Prime rate reduced to 17 percent.
May 12	Prime rate reduced to 16-1/2 percent.
May 19	Prime rate reduced to 16 percent.
May 28	Discount rate lowered to 12 percent from 13 percent.
June 4	Prime rate reduced to 13 percent.
June 12	Discount rate lowered to 11 percent. Prime rate reduced to 12-1/2 percent.
June 20	Prime rate reduced to 12 percent.
June 24	Prime rate reduced to 11-1/2 percent. Some conventional mortgage rates fell to 12 percent.
June 25	Carpenters strike in Northern California ended.
July 3	ICC begins trucking industry deregulation.
July 21	Motion picture and television industry strike.
July 22	Prime rate reduced to 11 percent.
July 25	Prime rate reduced to 10-3/4 percent.
July 28	Discount rate reduced to 10 percent.
August 5	Prime rate raised to 11 percent.

1980--Continued

August 27	Prime rate raised to 11-1/2 percent.
September 5	FHA mortgage interest rate raised from 11-1/2 to 12 percent.
September 12	California morgage rate raised from 13-1/2 percent to 13-3/4 percent.
September 25	Pacific Southwest Airlines (PSA) pilots strike begins.
September 26	Discount rate raised from 10 to 11 percent. Prime rate raised from 12-1/2 percent to 12-3/4 percent.
October 2	Prime raised from 13 to 13-1/2 percent.
October 3	Prime raised to 14 percent.
October 15	AFTA workers return to work.
October 23	Screen Actors Guild strike ends.
October 30	Prime raised from 14 to 14-1/2 percent.
November 7	Prime raised from 14-1/2 to 15-1/2 percent.
November 14	PSA pilots strike ends.
November 17	Prime raised to 16 1/4 percent. Discount rate raised from 11 to 12 percent.
November 21	Prime raised to 17 percent.
November 28	Prime raised to 17-3/4 percent.
December 3	Prime raised from 17-3/4 to 18-1/2 percent.
December 5	Discount rate raised from 12 to 13 percent. Prime raised to 19 percent.
December 11	Prime raised to 20 percent.
December 17	Prime raised from 20 to 21 percent.
December 23	Prime lowered from 21 to 20-1/2 percent.

1981

January 1	Minimum wage raised from $3.10 to $3.35.
January 6	Prime lowered to 20 percent.
January 20	American hostages released from Iran.

1981--Continued

January 20	Ronald Reagan inaugurated as 40th President of the U.S.
January 28	Deregulation of oil and gas industry announced, effective immediately.
January 29	Prime rate lowered to 19-1/2 percent from 20 percent.
February 16	General Motors and Ford rebate plans announced.
February 23	Prime rate lowered to 18 percent.
March 2	Prime rate lowered to 18-1/2 percent.
March 10	Prime rate lowered to 18 percent.
March 16	Prime rate lowered to 17-1/2 percent.
March 18	Prime rate lowered to 17 percent.
March 26	United mine workers strike.
April 13	Prime rate raised to 17-1/2 percent.
April 29	Prime rate raised to 18 percent.
May 4	Prime rate raised to 19 percent.
May 5	Discount rate raised from 13 percent to 14 percent.
May 8	FHA-VA rate up to 15-1/2 percent from 14-1/2 percent.
May 11	Prime rate raised to 19-1/2 percent.
May 22	Prime rate raised to 20 percent.
May 27	OPEC fails to agree on a uniform price schedule. OPEC officials freeze prices at current level.
June 5	Dollar reaches highest level in international trading since December 1971.
June 8	Coal miners end 72 day strike and ratify a 40-month contract.
July 8	Prime rate raised to 20-1/2 percent.
August 3	Air traffic controller's strike.

1981--(Continued)

August 14	President Reagan signs both the tax- and budget-cut bills into law.
August 18	FHA-VA rate up to 16-1/2 percent from 15-1/2 percent.
September 1	Prime rate lowered to 20 percent.
September 21	Prime rate lowered to 19-1/2 percent.
September 22	Fed surcharge cut to 3 percent from 4 percent.
October 6	Prime rate lowered to 19 percent.
	Egyptian President Sadat assassinated.
October 13	Prime rate lowered to 18 percent.
October 30	OPEC price set at $34.00/barrel--the Saudi benchmark.
November 1	Passbook interest rate raised 1/2 percent to 5-3/4 percent.
November 2	Fed discount rate cut from 14 percent to 13 percent.
	Prime rate lowered to 17-1/2 percent.
November 10	Prime rate lowered to 17 percent.
November 13	Prime rate lowered to 16-1/2 percent.
	FHA mortgage rate lowered to 15-1/2 percent.
November 16	Prime rate lowered to 16 percent.
November 17	Fed eliminates 2 percent surcharge. Discount rate unaffected.
December 1	Prime rate lowered to 15-1/2 percent.
December 4	Fed discount rate lowered from 13 percent to 12 percent.
December 12	Martial law imposed in Poland.

1982

January 22	Federal funds rate raised to 13-1/2 percent.

1982--Continued

January 25	FHA mortgage rate increased from 15-1/2 percent to 16-1/2 percent.
January 27	Federal funds rate raised to 13-3/4 percent.
February 2	Prime rate raised to 16-1/2 percent by Citibank and Crocker.
February 18	Prime rate increased to 17 percent.
February 24	Prime rate cut back to 16-1/2 percent.
March 1	Ford-UAW Pact ratified. Workers give up two weeks of paid time off and annual 3 percent raises.
March 8	Prime rate lowered to 16 percent.
March 16	Prime rate back up to 16-1/2 percent.
April 1	OPEC cuts production to 17.5 million barrels from current 18.2. Saudi bench mark set at $34/barrels.
April 5	Unemployment rate nationally hits 9.0 percent tying the post-WW II high in May 1975.
April 12	General Motor and United Auto Workers labor agreement approved.
April 26	The U.S. consumer price index declined 0.3 percent--the first decline in 17 years and the largest drop in nearly a quarter of a century.
May 7	U.S. unemployment rate reaches 9.4 percent for a post-WW II record.
May 13	Braniff Air Lines ceases operation.
June 25	Secretary of State Alexander Haig resigns.
June 28	U.S. Supreme Court rules that federally chartered savings and loan associations cannot be prohibited from enforcing due-on-sale clauses in their mortgage contracts.
July 20	Discount rate lowered from 12 percent to 11-1/2 percent. Prime rate lowered from 16-1/2 percent to 16 percent.

1982--Continued

July 27	Prime rate lowered to 15-1/2 percent.
August 2	Discount rate lowered to 11 percent. Prime rate lowered to 15 percent.
August 9	Unemployment rate reached 9.8 percent in July--the highest level since a 9.9 percent rate in 1941.
August 16	Discount rate cut from 11 percent to 10-1/2 percent. Most major banks lower their prime lending rates to 14-1/2 percent.
August 18	Dow Jones Industrial Average rises 38.81 points--an all-time record.
August 19	The stock market trading soared to a record 132,690,000 shares.
August 27	Discount rate lowered to 10 percent.

SOURCES OF STATISTICAL SERIES

Employment Development Department *Employment Data and Research*	Civilian employment Unemployment Unemployment rate Nonagricultural employment Manufacturing employment Hours and earnings Nonagricultural placements Initial claims for unemployment insurance Insured unemployment Index for production worker man-hours
Department of Industrial Relations *Division of Labor Statistics and Research*	California consumer price index
Department of Finance	Personal income Wages and salaries Index of leading indicators
Department of Motor Vehicles	New auto registrations
State Board of Equalization	Taxable sales
Security Pacific National Bank	Housing units authorized Valuation of nonresidential construction
U.S. Department of Commerce	Retail sales
U.S. Bureau of Labor Statistics	Consumer price indices
U.S. Department of Defense	Prime defense contracts
Federal Power Commission	Electricity production
California Redwood Association	Lumber production
Conservation Committee of California Oil Producers	Petroleum production
American Iron and Steel Institute	Steel production
U.S. Bureau of Mines	Cement production
Dun and Bradstreet	Business failures and liabilities
California Secretary of State	New business incorporations
Federal Reserve Bank of San Francisco	Demand deposits Commercial and industrial loans

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REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854 -

Initial trough	Peak	Terminal trough	Expansion (months)	Contraction (months)	Total (months)
Dec. 1854	June 1857	Dec. 1858	30	18	48
Dec. 1858	Oct. 1860	June 1861	22	8	30
June 1861	April 1865	Dec. 1867	46	32	78
Dec. 1867	June 1869	Dec. 1870	18	18	36
Dec. 1870	Oct. 1873	March 1879	34	65	99
March 1879	March 1882	May 1885	36	38	74
May 1885	March 1887	April 1888	22	13	35
April 1888	July 1890	May 1891	27	10	37
May 1891	Jan. 1893	June 1894	20	17	37
June 1894	Dec. 1895	June 1897	18	18	36
June 1897	June 1899	Dec. 1900	24	18	42
Dec. 1900	Sept. 1902	Aug. 1904	21	23	44
Aug. 1904	May 1907	June 1908	33	13	46
June 1908	Jan. 1910	Jan. 1912	19	24	43
Jan. 1912	Jan. 1913	Dec. 1914	12	23	35
Dec. 1914	Aug. 1918	March 1919	44	7	51
March 1919	Jan. 1920	July 1921	10	18	28
July 1921	May 1923	July 1924	22	14	36
July 1924	Oct. 1926	Nov. 1927	27	13	40
Nov. 1927	Aug. 1929	March 1933	21	43	64
March 1933	May 1937	June 1938	50	13	63
June 1938	Feb. 1945	Oct. 1945	80	8	88
Oct. 1945	Nov. 1948	Oct. 1949	37	11	48
Oct. 1949	July 1953	May 1954	45	10	55
May 1954	Aug. 1957	April 1958	39	8	47
April 1958	April 1960	Feb. 1961	24	10	34
Feb. 1961	Dec. 1969	Nov. 1970	106	11	117
Nov. 1970	Nov. 1973	March 1975	36	16	52
March 1975	Jan. 1980		58		

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